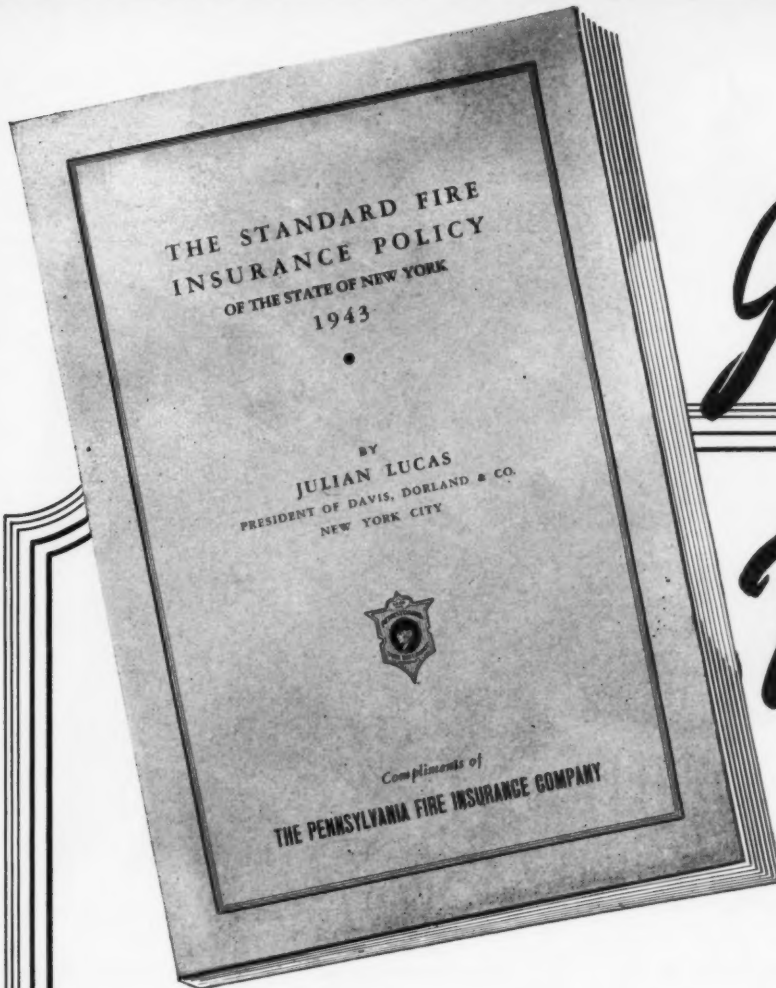


# *The* NATIONAL UNDERWRITER



*Just Off  
the  
Press!*



JULIAN LUCAS has done it again. This authoritative reference booklet contains Mr. Lucas' recent May 10th address before the 61st Annual Convention of the New York State Association of Insurance Agents at Syracuse, N. Y. on the new New York Standard Fire Insurance Policy effective July 1, 1943. He interprets and analyzes in layman's language the features and conditions of the new policy. Any one at all interested in insurance will find this booklet informative and worth reading. A copy is yours for the asking. Simply fill in and return the coupon below.

The Pennsylvania Fire Insurance Company  
150 William Street, New York, New York

Date \_\_\_\_\_

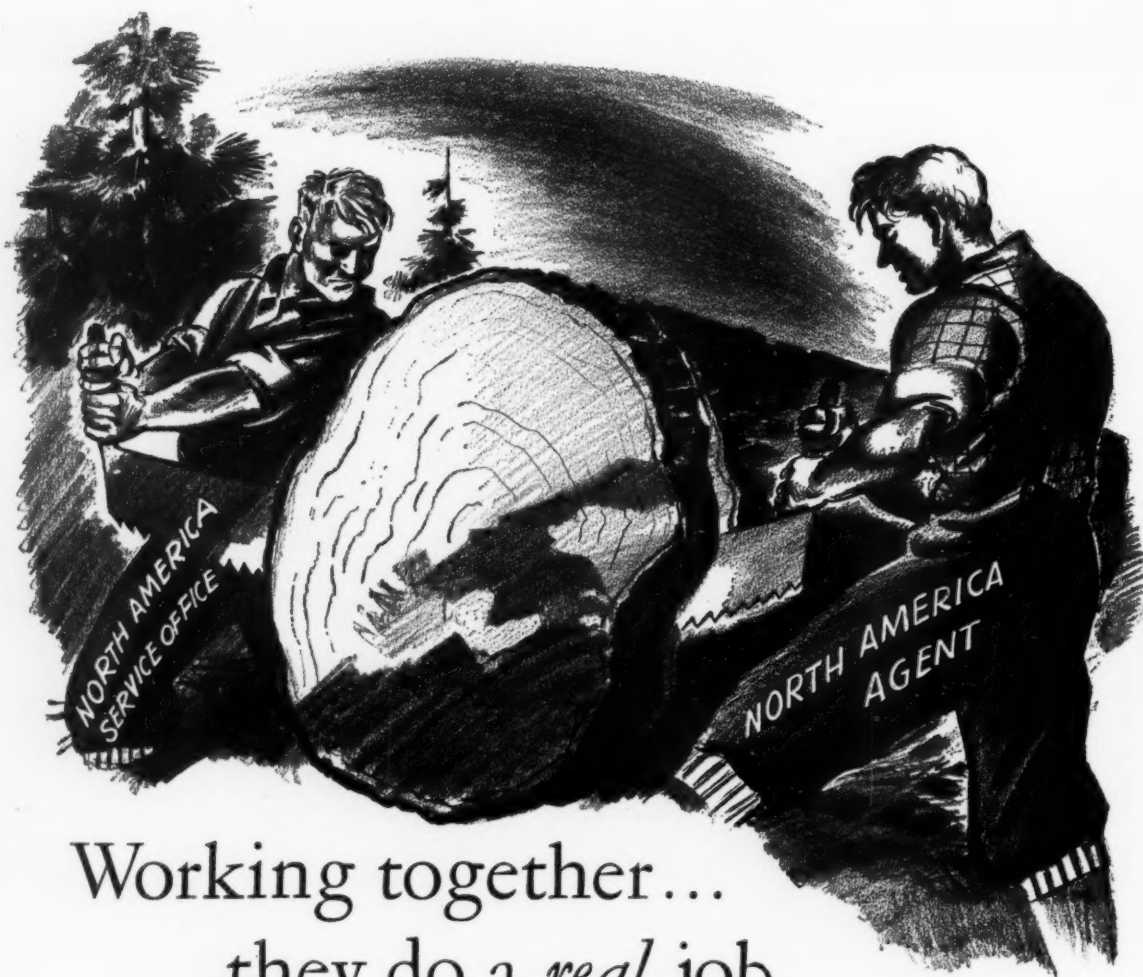
Please send me without obligation a copy of Julian Lucas' just-published booklet on the 1943 Standard Fire Insurance Policy of the State of New York.

Name \_\_\_\_\_

Address \_\_\_\_\_

City & State \_\_\_\_\_

THURSDAY, JUNE 3, 1943



Working together...  
they do a *real* job

North America's Agents have the advantage of co-operation from any of 32 North America Service Offices in the United States and Canada in preparing a complete program—in one package—covering any assured's Fire, Casualty and Marine requirements.

This expert service—*plus* the advantage of dealing directly with only *one* source, instead of a group—saves time and endless routine. It insures the type of sales

efficiency that often helps the Agent sell the assured or prospect *more* than an individual line.

It is this kind of cooperative service that helped Agents last year to develop a net premium income increase for the North America Group of \$7,477,787 (exclusive of Ocean Marine War Risks).



## Insurance Company of NORTH AMERICA

PHILADELPHIA

*This oldest American fire and marine insurance company and its affiliates write practically every form of insurance except life*

**BUY WAR BONDS . . . AND PROTECT WHAT YOU HAVE**



## Virginia Agents Ask for 1943 N. Y. Fire Policy

**Back N.A.I.A. Public  
Relations Program  
at Parley; Elect Haun**

### NEW OFFICERS ELECTED

President—Jacob Haun, Woodstock.  
Vice-president—Marvin L. Wilson,  
Alexandria.  
Treasurer—B. W. Sebrell, Jr., Law-  
renceville.  
National state director—Stuart Rag-  
land, Richmond.

RICHMOND—The Virginia Associa-  
tion of Insurance Agents at its 45th an-  
nual convention here adopted a resolu-  
tion recommending that a committee of  
three be appointed to study the new  
New York fire policy and consider  
the possibility of  
presenting it to the  
next Virginia legis-  
lature for adoption.  
Registration for the  
meeting was 200.

The new board  
of directors con-  
sists of Caleb D.  
West, Jr., Newport  
News, retiring  
president; J. W.  
DeJarnette, Bowl-  
ing Green; H. M.  
Armfield, Lees-  
burg; John T. Minter, Norfolk; Fergus  
A. Goodridge, Richmond; L. H. Irby,  
Blackstone; Frederick Davis, Lynch-  
burg; A. E. Cox, Danville; T. G.  
Booten, Luray, and A. L. Witt, Big  
Stone Gap. Marvin L. Wilson, Alex-  
andria, is chairman.

### Career of New President

Jacob Haun, the new president of the  
association, is head of the Haun-Ma-  
gruder Agency of Woodstock. A veteran  
of World War I, he entered insurance  
in 1919. In 1926 he acquired the agency  
business of M. W. Magruder and merged  
it with his own. He taught school for  
six years in his early career and has had  
newspaper experience. He has served  
several years on the board of the Vir-  
ginia association.

President C. D. West, Jr., in giving  
his annual report said that a committee  
from the association appointed by him  
had appeared in May before a commis-  
sion named in the last general assembly  
to study compulsory automobile liability  
and property damage insurance. The  
agents' committee made a written presen-  
tation to the commission pointing out  
the favorable features of financial re-  
sponsibility laws in contrast to the Mas-  
sachusetts form of compulsory automo-  
bile liability insurance. The legislative  
commission is continuing its study, and  
the agents' committee will follow up the  
subject.

### Appointment of Auto Dealers

Believing that appointment of Motors  
Insurance Corp. dealers as agents is in  
violation of Virginia law, the association  
employed counsel to represent it at a  
hearing before the corporation commis-  
sion, Mr. West said. The commission  
decided that the applicant should be

(CONTINUED ON PAGE 10)

## Litigation Started in Seattle Bomber Crash Loss

SEATTLE—As result of the crash  
and fire which cost 32 lives, when a  
Boeing four-motored bomber crashed  
into the Frye & Co. plant here Feb. 18,  
the packing firm has filed 28 law suits in  
superior court against an equal number  
of insurance companies, asking ap-  
proximately \$622,000.

Officials of Frye & Co. state the  
building will be rebuilt regardless of the  
outcome of the litigation.

The insurers do not deny the liability  
for the damage to the building and  
meats destroyed, but they disagree with  
the assured as to the amounts payable.

## U. S. Tax May Affect Contingent of Agents

Due to the increased federal income  
tax the question is being pondered by  
some executives of whether to propose  
an increase in the charge for taxes and  
bureau expenses against premiums in  
computing contingent commissions in  
those places where agents enjoy these  
profit sharing arrangements. It is  
understood that one or two companies  
in certain places have already put such  
an increase into contingent commission  
agreements for this year.

### Formulas for Computation Differ

The formula for computing contingent  
commission differs in the various cities.  
In some places there is a single charge  
wherein are consolidated home office  
expense, taxes and bureau expense. In  
other places there is a separate charge  
for home office expense and another  
charge for taxes and bureau. Where  
there is a separation the charge for  
taxes and bureau is frequently 5%.

Until this year, federal income tax  
has not been an important element in  
insurance company expense. Now, how-  
ever, it looms up and in connection with  
contingent contracts, some of the com-  
panies feel that the companies at least  
should take credit for the federal tax  
on underwriting gain even though the  
federal investment tax is not included  
in the charge.

A number of the independent compa-  
nies give contingent commissions to  
agents throughout the territory as well  
as to those in the excepted cities. It  
is understood that some of these non-  
affiliated companies are giving considera-  
tion to increasing the charge for taxes.

## J. W. Robertson President of Mississippi Blue Goose

The Mississippi Blue Goose at its an-  
nual meeting at Spring Lake Fishing &  
Outing Club, Jackson, elected John W.  
Robertson, W. A. Sullivan general  
agency, most loyal gander; F. Julian  
Carroll, Jr., Mississippi State Rating  
Bureau, supervisor; D. M. Mayers, Fire  
Companies Adjustment Bureau, custo-  
dian; J. B. Franklin, Franklin & Sulli-  
van, adjusters, guardian; E. C. Davis,  
Jr., America Fore, keeper, and R. W.  
McCosh, Caledonian, welder.

Three goslings were initiated, J. C.  
Davis, George S. Turpin and Chesley  
V. Price. The admonition was given by  
past Most Loyal Gander H. T. Holland  
and the charge by past Most Loyal  
Gander Rollin T. Fitts.

The meeting was followed by a fish  
supper.

## Laboratories Corollary Benefits Are Cited

In addition to promoting fire preven-  
tion and protection and prevention of  
accidents and crime, the work of Un-  
derwriters Laboratories produces a num-  
ber of corollary benefits for industry,  
according to President Alvah Small,  
who addressed the American Manage-  
ment Association insurance division  
meeting in New York. Because of the  
work of Underwriters Laboratories and



ALVAH SMALL

the place it occupies, time and expense  
are saved for promoters and manufac-  
turers of projects and products that  
bear positively or negatively on a prob-  
lem of safeguarding.

Mr. Small estimated that in this coun-  
try there are 10,000 administrators of  
building and other safety codes who  
are functioning in some phase of fire  
prevention or other safety efforts. Pro-  
motors and manufacturers of projects  
covered by these codes must satisfy  
such of these 10,000 authorities as are  
established in the areas in which the  
manufacturer or promoter is interested.  
In order to get the necessary approval,  
some depend upon personal contacts.  
Others employ printed words and illus-  
trations of advertising and of catalogue  
and pamphlet literature. In various  
fields the administrator accepts an opin-  
ion or finding of Underwriters Labora-  
tories and certain ones require them.

### Much Time Saved

Thereby, Mr. Small pointed out, at  
one time and place the promoter's claims  
are tested and confirmed. He need not  
travel about the country with samples  
to explain and demonstrate. A dupli-  
cate investment in sales education and  
promotion expense is avoided. A sub-  
stantial economy in time and travel ex-  
pense is accomplished.

Another economy accrues from the  
fact that it is determined in advance  
that a product is suitable and acceptable  
for the purpose for which U. L. classifies  
listed equipment. "It is not necessary  
to eat the pudding to prove that it is  
safe."

The Laboratories will mark its 50th  
anniversary next year. When it was es-  
tablished the electrical industry was in  
the rompers age. Development and  
promotion of automatic sprinklers was  
becoming an established business.  
Equipment and systems for automatic  
discovery in giving alarm of fire were  
becoming a separate field. There was

(CONTINUED ON PAGE 10)

## Commissioners' Card Announced for Annual Meeting

**Schedule of Events for  
the Convention in  
Historic Boston**

BOSTON—Boston hospitality, in its  
traditional form, subject only to the  
restrictions incident to the scarcity of  
gasoline, will be extended next week to  
the commissioners of practically all the  
states.

Edward C. Stone, U. S. manager of  
Employers Liability, is chairman of the  
executive and finance committee, which  
has been in general charge of the re-  
ception and entertainment.

An honorary reception committee  
consists of the president of each  
Massachusetts company.

### Executive Committee Meeting

Registration will take place at the  
Hotel Statler Sunday morning and the  
first social get-together will be at the  
Pop Concert of the Boston Symphony  
Orchestra, starting at 8:15 p.m. The  
executive committee of the commis-  
sioners will hold a session at 3:30 p.m.

Monday morning there will be com-  
mittee meetings from 9 to 11. From  
11 to 12:15 there will be a formal wel-  
coming gathering at the hotel with  
luncheon at 1. Lieut.-Gov. Horace Ca-  
hill and Mayor Tobin of Boston will  
formally welcome the guests. Follow-  
ing the luncheon Custodian Robert  
Winn of the Old North Church, where  
Paul Revere hung his lanterns, will  
give a lecture on points of historic in-  
terest. Rt. Rev. Robert P. Barry will  
give grace and "God Bless America"  
will be sung by Mrs. J. Herbert Graves,  
wife of the Arkansas commissioner.  
The afternoon, from 2:30 to 7, will be  
taken up with group meetings, while  
the ladies will be taken to points of in-  
terest around Boston.

### Business Sessions

Tuesday the commissioners will con-  
vene for their business sessions at 10  
a.m., continuing until noon and recon-  
vening at 2 to 2:30 p.m. During the  
day the ladies will be taken to the state  
house, home office building of New  
England Mutual Life, Christian Science  
Church, Boston public library, Boston  
Art Museum and be given a luncheon  
on the Hotel Sheraton roof.

Tuesday evening will be held the din-  
ner provided by the Massachusetts in-  
surance companies. Governor Salton-  
stall will be the principal speaker.

Wednesday morning the final busi-  
ness session of the convention will be  
held in Faneuil Hall. The afternoon  
will be given over to a choice of the  
Suffolk Downs races, Red Sox baseball  
game, steamer trip down the harbor to  
Nantasket Beach and other offerings.

### Sunday, June 6

3:30 p. m.—Parlor A—executive com-  
mittee.

### Monday, June 7

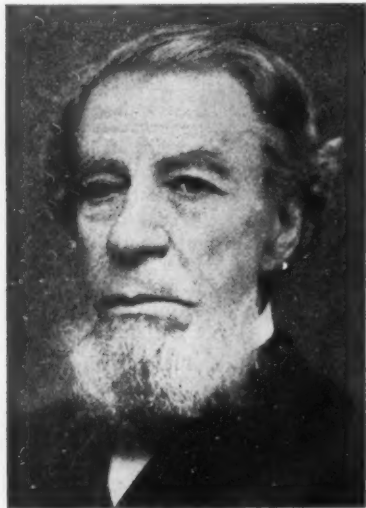
9 a. m.—Parlor A—War damage re-  
serves. Requested by Harrington, Mas-  
sachusetts.

10 a. m.—Parlor C—Sub-committee on  
accident and health. Requested by Mc-  
Cormack, Tennessee.

(CONTINUED ON PAGE 8)

## Aetna Fire Completes 100 Years in Chicago Field

This issue of THE NATIONAL UNDERWRITER is dated June 3, 1943. It happens to fall on a most interesting historical anniversary. On June 3, 1843, 100 years ago, the Aetna Fire appointed Gurdon S. Hubbard, its Chicago agent. Therefore, the Aetna has completed a century of service in Chicago and Cook county. Mr. Hubbard was the original



GURDON S. HUBBARD

insurance agent of Chicago. He issued the first fire insurance policy in the city. He was one of the organizers, a charter member and the first president of the Chicago Board of Underwriters. He was a public spirited citizen having great faith in Chicago. He bought and paid for out of his own fund the first fire engine owned by the city. It is now on exhibition in the Chicago Historical Society in Lincoln Park.

### Aetna in Great Chicago Fire

When the great Chicago fire occurred Oct. 9, 1871, the Aetna as soon as possible started to adjust its losses. The first loss paid was Oct. 13, 1871, by check for \$7,350 to John B. Drake, a brother of the Drake boys, who later built the Blackstone and Drake hotels in Chicago.

The Aetna is celebrating the 100th anniversary of its installation of an agent in Chicago this week. Fred J. Sauter is the present manager of the company in the city. Mr. Hubbard continued to represent the company until 1866, at first under his own name and then as a member of the agency of Hubbard & Hunt. After Mr. Hubbard's retirement the agency was taken over by Jonathan Goodwin, Jr., former assistant secretary of the Aetna, and Henry L. Pasco, for many years special agent at the home office. Mr. Goodwin was one of the famous Goodwin family interested in the organization and early activities of the Aetna. The Aetna converted the agency into a branch office June 3, 1875, with Mr. Goodwin in charge as general agent. He retired in 1885 and he was succeeded June 4 of that year by James S. Gadsden, for many years associated with the marine division of the company in Chicago. At the same time Louis O. Kohtz was appointed assistant general agent. On Mr. Gadsden's death, Sept. 17, 1911, Mr. Kohtz was appointed general agent serving until Jan. 1, 1924, when he retired and Fred J. Sauter was named as his successor. Therefore, Mr. Sauter is celebrating his 20th year in charge of the Aetna's interests in Chicago and Cook county.

In the early days the directors of the Aetna made trips into the territory to look over the field and appoint agents. In 1842 Joseph Morgan, a director, was authorized to make a trip to what was

then termed "The West." In the fall of 1842, Mr. Morgan got acquainted with Mr. Hubbard and made tentative arrangements for him to represent the Aetna although the appointment was not officially made and the commission actually issued until June 3, 1843. Mr. Morgan by the way was the head of the famous financial house of Morgan.

The Aetna during its hundred years has contributed three presidents to the Chicago Board, Mr. Hubbard, Mr. Kohtz and Mr. Sauter. Mr. Sauter has made a remarkable record in Cook county and the Aetna is one of the foremost companies operating in Chicago.

The Aetna Fire itself started in business in 1819. From a small beginning it now has capital of \$7,500,000, assets \$50,837,478, net surplus \$17,212,837. Its premiums last year were almost \$30,000,000 and its total income \$31,727,768. It is one of the great American companies, bears a most honored name and is a household one throughout the land.

Mr. Sauter is celebrating his 40th anniversary of entering the insurance business as well as his 20th year as head of the Aetna. He started 40 years ago in the western department of the old Phenix as a reinsurance register clerk. At that time Charles R. Street was chief examiner and Mr. Sauter became his map clerk. Mr. Street had charge of Chicago, Cincinnati and Cleveland. When he left the Phenix he was made Cook County manager of Royal Exchange. Mr. Sauter became interested in automobile insurance inasmuch as the Boston which he represented in his agency that he established was one of the early companies to write that class. He helped organize the Automobile Protective & Information Bureau of which he has been president for many years. It covers the middle west. This is one of his pet organizations and he deserves great personal credit for what has been accomplished.

He has served the National Theft Bureau as president since it was established to operate on a country-wide basis.

### Indiana Sets Up Machinery for N.A.I.A. Program

At a meeting of officers, directors, regional vice-presidents and committee chairmen of the Indiana Association of Insurance Agents last week the public relations program of the National association was unanimously endorsed and machinery was set up to collect voluntary contributions from the approximately 800 members. Herman C. Wolff, Indianapolis, was appointed chairman of the committee, other members being Geo. W. Mahoney, Indianapolis; Ross B. Tudar, Kokomo; Tyril A. Robbins, Gary; Leroy Allen, Terre Haute; Ralph H. Bolin, Brazil; Ralph G. Hastings, Washington and Verl Mangas, Union City.

## New Va. President



JACOB HAUN

Jacob Haun of Woodstock is the new president of the Virginia association.

## Security to Add \$500,000 to Capital

Security of New Haven has notified stockholders that a registration statement has been filed with the Securities & Exchange Commission covering a proposed issue of 50,000 additional \$10 par value shares of authorized but unissued stock. This would increase capital to \$2,500,000.

If the registration statement is permitted to become effective and subject to market and other conditions, Security proposes to give existing stockholders the right to subscribe for the additional shares on the basis of one new share for each four shares held. There would be issued through an underwriting group to the public such additional shares as are not taken up by stockholders.

The directors will determine the price at which the stockholders will be entitled to purchase the additional shares and will be stated in subscription warrants to be issued to stockholders of record as of a date which will be fixed. In ordinary course, the registration statement will become effective in a period of not more than 20 days from May 25.

F. J. McDonough, 54, president of the Drug & Chemical Club of New York City, died following a heart attack. He was well known and very popular among the insurance members of the club, who are in a substantial majority, as well as among the drug and chemical men. He was president of the New York Quinine & Chemical Works.

## San Franciscans to Ask Uniform Status Under 48-Hour Rule

SAN FRANCISCO—What the War Manpower Commission's directive placing San Francisco and other portions of the San Francisco Bay area under the 48-hour work week will mean to the insurance business and how the business as a whole can best cooperate was discussed at a meeting of more than 100 company and insurance organization executives here.

Called together through the California Insurance Federation of which Francis V. Keesling, president West Coast Life, is president, the meeting heard an outline by Charles C. Hannah, vice-president Fireman's Fund. He pointed out that there are problems involved peculiar to insurance and that provisions have been made in the directive for exemption requests to meet specific problems. He explained that those who seek exception must do so before June 24, while those who plan to come under the 48-hour work week rule must advise the commission by June 9. He said there had been indications that the commission would prefer to deal with insurance as a whole rather than with individual offices, although advising that even should exception be sought each office must eventually file its own claim for exemption.

### To Confer Friday

The desire for uniformity of action was evident and a committee to confer with the WMC was appointed with instructions to claim exceptions.

Mr. Hannah is chairman of the committee which will hold its first meeting Friday. Other members are: Charles Seeley of Rathbone, King & Seeley; W. W. Gilmore, London & Lancashire; Edward McDowell, Metropolitan Life; R. L. Rowley, Johnson & Higgins; and J. G. Weber, Travelers.

The conferees favor a work week somewhere between 38 and 44 hours, with preference given to a five day week of 40 hours. Then employees would have Saturday and Sunday during which they could work in war industries.

Benefit of experiences of offices in Seattle, where the 48-hour work week is already in effect, were given by R. Pates, vice-president Marsh & McLennan; W. Leslie Miller, General of Seattle; and C. D. Lasher, Home of New York.

It was pointed out that married women who must maintain their homes would not be able to continue under a 48 hour period and that many in the insurance offices are not physically able to work too strenuously and that such a work requirement would result in further absenteeism. In some offices as high as 70% of the employees are women. Fluctuation in business is also a factor in endeavoring to secure exceptions.

### Johnson to be President

The nominating committee of the American Association of Insurance General Agents met in New York and recommended that S. Lewis Johnson of Charleston, S. C., be elected president, he being chairman of the executive committee. At the New York meeting were L. C. Quin, Atlanta; John Seibels, Columbia, S. C.; J. K. Shepherd, Little Rock. President George Edmundson of Tampa was present.

### \$100,000 Fire Loss in Michigan

The plant of the Universal Metal Products Co. at Saranac, Mich., which manufactured decontamination units for the government, was destroyed by fire. There is more than \$100,000 insurance involved, about \$35,000 of which is in the stock companies and the remainder in mutuals. The loss is total. There were several small outbuildings destroyed in addition to the main plant.

## THIS WEEK IN INSURANCE

Program is announced for the annual meeting of the National Association of Insurance Commissioners. Page 1

Virginia Association of Insurance Agents asks for 1943 New York fire policy at its annual convention. Page 1

At the annual meeting of the Western Insurance Bureau in Chicago this week, Herbert A. Clark, vice-president Firemen's, was reelected president. Page 3

G. H. Duxbury, assistant U. S. manager of North British, has been elected president of the National Automobile Underwriters Association. Page 3

Aetna Fire is celebrating the 100th anniversary of its first agency in Chicago appointed June 3, 1843. Page 3

Michigan insurance department to study compensation rates. Page 22

Annual meeting of National Board is the most largely attended of any in history. Page 3

Globe Indemnity submits offer to stockholders of Virginia F. & M. to purchase stock at \$68.50 per share. Page 14

Underwriting problems due to abnormal war conditions discussed by Bureau of Personal Accident & Health Underwriters. Prevost reelected chairman. Page 21

Analysis is made of the National Bureau's memorandum filed in New York answering the non-bureau criticism of the bureau's boiler and machinery manual filing. Page 19

C. J. Haugh, actuary of the National Bureau, explains proposed new workmen's compensation program to members of Risk Research Institute. Page 21



## Western Bureau Reelects Officers at Annual Muster

### President Clark Comments on Some of the Problems Facing Insurance

At the annual meeting of the Western Insurance Bureau held in Chicago Wednesday, H. A. Clark, vice-president Firemen's in charge of the western department, was reelected president. C. D. James, president of Northwestern National, was chosen vice-president; W. S. Whitford, executive vice-president Millers National and Illinois Fire, treasurer; Fred C. Schad, secretary. Mr. Clark was reelected chairman of the board of directors. F. Glenn Breen, vice-president Standard Fire of Trenton, N. J., succeeds his father, the late Frank J. Breen, on the board, the others being L. W. Brown, Firemen's; J. C. Hiestand, Ohio Farmers; C. D. James, Northwestern National; C. J. Schrup, Dubuque F. & M.; E. E. Soenke, Security of Davenport; W. S. Whitford, Millers National; W. E. Wollaeger, Concordia Fire.

#### President Clark's Address

President Clark in his address touched on the effects of the war on company personnel and he said in the face of this condition and others of more or less discouraging nature, insurance has gone along courageously and contributed in a more than generous measure to assisting the government in the successful prosecution of hostilities.

Continuing further Mr. Clark said: "Little if any recognition appears to have been given in man-power control quarters to the essential function performed by insurance, although the business has furnished all branches of military service with technicians, specialists, inspectors and engineers to assist in the safeguarding of vital industries and supplies. The part that insurance played in directing and handling the details of war damage insurance furnishes a concrete example of the contributions the business is making toward the war effort even in the face of the difficult job of maintaining a competent trained staff of employees. The large demand for war workers at short hours and high wages, and calls to military service have served to deplete our staffs, and it seems evident that the situation will continue to be even more perplexing as long as the war continues.

#### Meets Crises with Fortitude

"The insurance business has faced crisis after crisis, two major wars within a quarter of a century, panics, depressions, conflagrations and other catastrophes, and has emerged from each of these crises stronger than ever, and will do again.

"No other business touches the lives and activities of mankind like insurance. Its fabric is interwoven into every known business or industry, and into every human endeavor. It has a relationship or contact with practically every tangible object in the world, and in this critical hour in American history pledges its faith and its fortunes to the end that the freedom we have created and cherished shall not perish.

"There have been some press dispatches suggesting, or at least specu-

(CONTINUED ON PAGE 8)

## Duxbury New Head of N.A.U.A.

### New Officers Were Elected at the Annual Meeting

George H. Duxbury, assistant manager of North British, was elected president of the National Automobile Underwriters Association. Vice-president Esmond Ewing, Travelers, was named vice-president and Walter F. Beyer, vice-president Home, is treasurer. Two new directors-at-large were named, they be-



G. H. DUXBURY

ing Vice-president L. E. Falls of American and President J. D. Smart of New Hampshire. The other directors are Vice-president F. A. Christensen, America Fore, and Vice-President John A. North, Phoenix of Hartford. Directors representing regional territories are: East, F. Elmer Sammons, vice-president Hanover; Pacific Coast, W. W. Gilmore, manager London & Lancashire; south, Caspar S. Whitner, associate manager Hartford Fire, Atlanta; west, E. H. Forkel, associate manager National Fire, Chicago.

Retiring President Falls said that companies writing physical damage automobile coverage have maintained their premium volume unusually well considering the conditions in the automobile

## REA Split Traced to Row Over Insurance Policy

The resignation of Robert B. Craig, deputy administrator of the Rural Electrification Administration, effective June 1 is attributed by some observers to a clash with Henry Slattery, REA administrator, because the latter has denied administration support for Rural Mutual Fire and Rural Mutual Casualty which were organized in January by the National Rural Electric Cooperative Association.

The proposal was that the funds of the Rural Mutual companies should come from membership dues and surpluses of the various electric cooperatives but Slattery just recently sent a letter to all of the cooperatives, voicing strenuous objection to the plan. He told the cooperatives that although their membership funds have not been pledged as security for government loans, the funds were provided for the purpose of initiating an electrification project, canvassing and surveying the area, perfecting the loan applications to REA and financing certain initial costs before loan funds became available. With respect to many of these expenditures the administration has permitted loan funds to be used to reimburse the membership fund account. The administration has expected, however, that these membership funds would be held in such form as could easily be con-

(CONTINUED ON PAGE 25)

world. He touched briefly on certain steps that are being taken for the post-war world.

### \$150,000 Loss in Oakland Fire

The Oakland, Cal., waterfront fire May 28 in which Lannom Manufacturing Co., Grandma Baking Co., and Western Paper Box were involved caused an estimated fire insurance loss of \$150,000. The Lannom planing mill suffered the heaviest damage. It was insured mostly in non-board companies. The loss at Western Paper Box was minor and the baking company lost a warehouse.

The Mutual Fire Insurance Association of the Evangelical Church, Waterloo, Ia., which insures churches, parsonages and personal property of Evangelical churches, now will cover loss from explosions as well as from fire, lightning and windstorm.

## Turnout for Nat'l Board Rally Largest Ever

### Many Casualty and Surety Executives Attend Annual Gathering

NEW YORK—The National Board's annual meeting drew the largest attendance in the history of such gatherings, exceeding even that of the 75th anniversary celebration two years ago. There was hardly a vacant chair at the business session and 375 persons were served at luncheon.

While an important factor in this attendance was undoubtedly the fact that the Southeastern Underwriters Association and the Western Sprinkled Risk Association held their annual meetings here, contrary to their usual custom, it was also notable that there was a large number of casualty and surety executives on hand. There has been in recent years a tendency for more and more casualty and surety men to take an interest in the fire business. There was a special reason for it this year, for Vice-president Frank A. Christensen of the America Fore group is president of the Association of Casualty & Surety Executives as well as having just completed two years as chairman of the National Board's executive committee. He is now its vice-president.

#### New President Speaks

The new president, President John M. Thomas of National Union, in his brief speech of acceptance stressed the fact that the National Board put the public interest first and said that the organization has gained the respect of the public, industry, the insurance business, "and even all responsible departments of our government—save with one possible exception."

The membership approved the executive committee's proposal to levy special assessments for legal fees and expenses of the National Board's general and special counsel in connection with the antitrust investigation. It also ratified the executive committee's resolutions, adopted last January, that a special committee be empowered to act for the National Board, the executive committee and the committee on laws in looking out for the National Board's interest in the Atlanta prosecution.

As recommended by the executive committee the membership reaffirmed its pledge to aid the war effort with every fire protection engineering service or any other service which it is capable of rendering.

The executive committee report, which General Manager W. E. Mallalieu read in the temporary absence of Chairman Christensen, mentioned the National Board's continuing support of the National Bureau for Industrial Protection, its cooperation with the U. S. Chamber of Commerce, National Industrial Conference Board and National Industrial Information Committee. The report paid tribute to C. H. Lum, assistant general manager, San Francisco, for his 40 years of service with the National Board, which he completed May 7.

President F. D. Layton of National Fire and President W. H. Koop of Great American praised highly the address of the retiring president, R. P. Barbour, United States manager of Northern Assurance. The members voted to give the talk the widest possible distribution throughout the country.

In accepting the National Board's annual meeting (CONTINUED ON PAGE 25)

## WESTERN BUREAU OFFICIALS



HERBERT A. CLARK, Firemen's  
President



FRED C. SCHAD  
Secretary

## Buffalo to Offer No Competition on Flood Insurance

Sidney R. Kennedy, president of Buffalo, was prompted to write as follows by the article in last week's edition by Norman T. Robertson, president of Secured F. & M. advocating that some plan be developed for the writing of flood insurance:

"In your issue of May 27 Mr. Norman T. Robertson makes a plea for broadening insurance coverages so as to include losses by flood. He seems to think that state insurance departments have impeded companies from including this coverage, and goes on to make the rather surprising statement that the mechanics of compiling a satisfactory rate for the added flood coverage should be comparatively simple as an added charge. I wonder what the added charge would be and how Mr. Robertson would justify it.

"On Feb. 20, 1936, THE NATIONAL UNDERWRITER said:

"Agents and companies have been flooded with requests for flood insurance within the last few days. Property owners throughout the country have suddenly become imbued with the fear that the abnormal weather conditions of the last few weeks have been preparing the way for bad floods. The courses of the rivers are held back by ice, and there is fear that when the heavy snow melts, the rivers will be choked and will back up."

"It has been the common experience that practically all applicants for flood coverage, whether written alone or by purchasing endorsements covering the flood hazard, are those whose properties are located on or near the banks of rivers or streams, and most of whom have at one time or another suffered flood damage.

"If any fire insurance company found its business limited chiefly to applicants for fire insurance who had incurred past losses by fire and who were properly apprehensive of future losses through identical causes over which they had no control, that company would probably end up in bankruptcy.

"To illustrate the risk of a fire insurance company in respect of flood insurance, the Stuyvesant some years ago paid a \$70,000 loss under a flood policy issued to the owner of an avocado orchard on the bank of the Indian River in Florida. The line was written three days in advance of the disaster, which the assured evidently anticipated, having knowledge of local conditions not possessed by the office of the insurance company in New York City.

"In California, where trick forms and coverages are rampant, only a few years ago the insurance companies found themselves obliged to pay more than \$40,000 under what they supposed was merely a flood coverage, when a tidal wave damaged a pier extending into the Pacific Ocean.

"If Mr. Robertson wishes to experiment for his company on flood insurance, he is welcome to do so—he will get no competition from us."

### Asks Injunction Against Present Rates in Missouri

JEFFERSON CITY, MO.—Attorney-general McKittrick last week argued before the Missouri supreme court that the fire companies are charging premiums in Missouri based on a rate factor founded in fraud. He asked an injunction, unusual in supreme court procedure, to stop premium collections at present rates. The McKittrick contention is that since the compromise settlement of the fire rate case in 1935 was based on fraud, then the rates set up at that time are illegal. He also charged company attorneys with dilatory tactics in his anti-trust suit.

Company attorneys argued that there

is no statutory rate base so that the 1935 compromise does not enter into the present rate level. The superintendent of insurance has the right to fix rates and when he does so it has no bearing on the preceding rate level, they contended.

They vigorously denied the McKittrick assertion that they have been employing dilatory tactics. The attorney-general has sent them all over the country, they said, has called a vast number of witnesses, and has injected into the record of the case a tremendous amount of ma-

terial the relevancy of which is extremely difficult to see.

Company attorneys filed a demurrer to the injunction application, on the grounds it would interfere with the status of the issues in McKittrick's anti-trust suit. The pleadings were taken under advisement by the court.

### Vernon General Election

INDIANAPOLIS—O. K. Van Auld was elected board chairman of Vernon General at the annual meeting and J. M. Hogle was advanced to president. Sidney S. Miller was named vice-presi-

dent; Harold H. Bredell, secretary-treasurer, and Mrs. Mabel C. Miller, assistant secretary and treasurer. Mr. Hogle reported 116 agents produced business this year, and since the last quarterly assets increased about 30% to over \$200,000 and capital and surplus to \$164,000.

### Valparaiso Board's Field Day

The Valparaiso (Ind.) Board will hold its annual field day June 10. There will be golf, horse shoes, a dinner and good fellowship. Many Indiana field men take in this event.



## "I'm sorry, but Dr. Blank is out on a case"

MOST DOCTORS on the home front today are working "25 hours a day" to try and keep up with the demands made on their time.

A general insurance agent, when delivering a fire policy on the home to his physician, asked the latter how he was investing his increased earnings.

The doctor replied, "I'm too busy to think how to invest it. It's piling up in the bank. All I want is some sleep."

It was a simple matter for the broker to convince the doctor that the New England Mutual should assume the burden of the investment problem, "so," as he put it,

"your sleep, when you get it, will be undisturbed by worry over how to invest the eight thousand dollars that has now piled up in the bank." (Actual case history)

The medical profession is only one group in which increased earnings have brought new opportunities to sell life insurance.

If you are wondering just how to enter this profitable field, contact our nearest general agent, who will be delighted to provide the "know-how" you need to get started. If you happen to live in a small city, write Wm. Eugene Hays, Director of Agencies, at the Home Office in Boston.

Let us help YOU to a new source of income through . . .

# New England Mutual

## Life Insurance Company of Boston

George Willard Smith, President

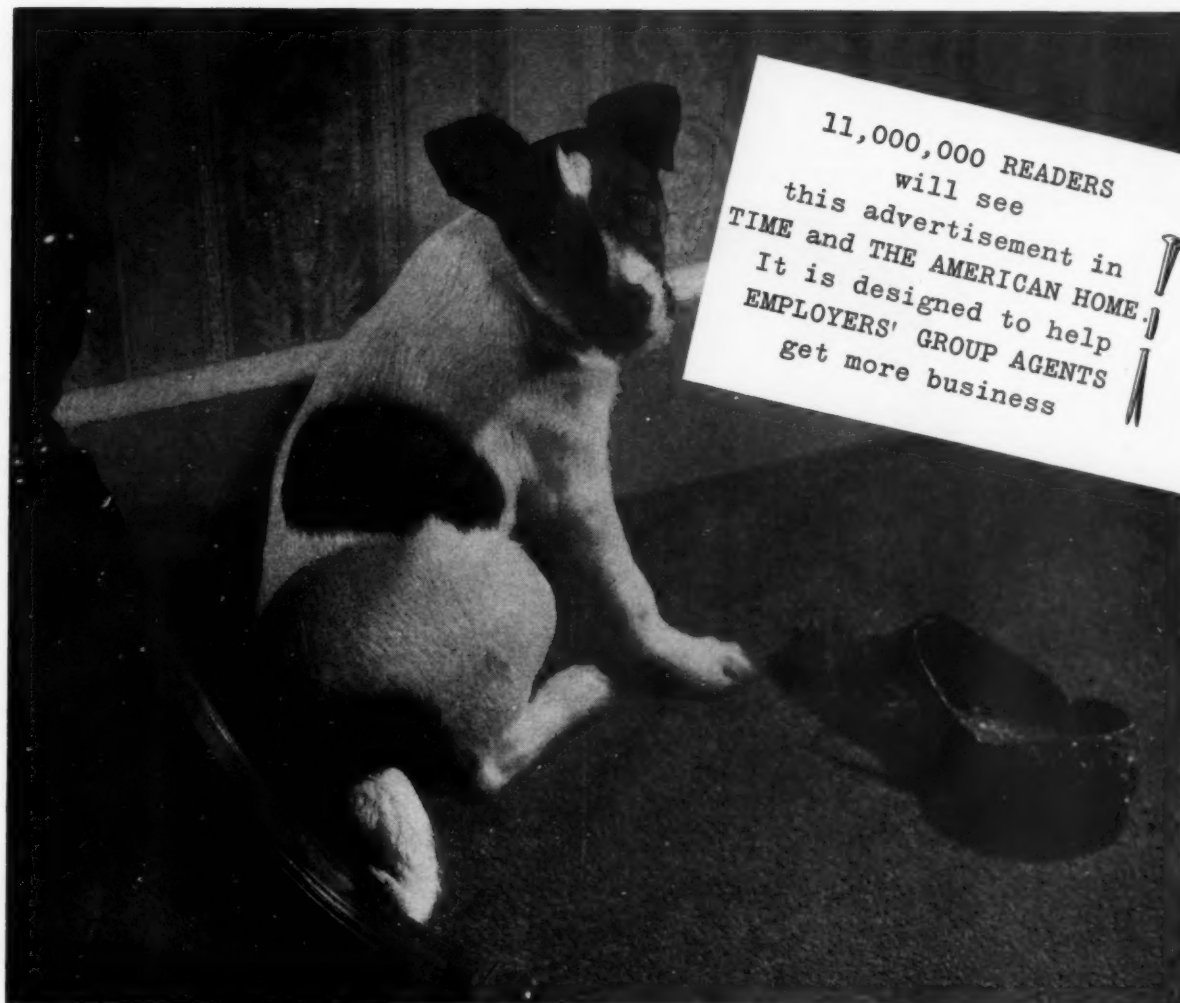
Agencies in Principal Cities Coast to Coast

THE FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA—1835



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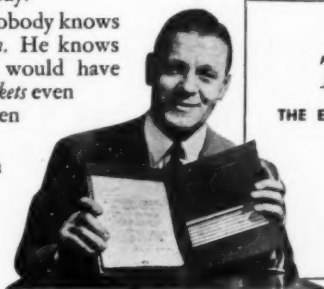
## The Mutt that Cost \$1200

SPORT never won a blue ribbon in his life. He was just plain dawg... a family pet... one of patchwork ancestry. Yet he was the nicest pup in the world... and his owners wouldn't part with him for anything.

But you know how dogs are. Drop a cookie, then try to grab it away, and you get an argument. That's what happened to the little girl across the street. Sport nipped her. And, according to the court, the scar on her face was worth \$1200... a lot of money to pay.

Such things can happen... and nobody knows it better than *The Man with the Plan*. He knows of many cases where dog-owners would have been forced to pay out of their own pockets even more than \$1200... if they hadn't taken his advice.

*The Man with the Plan* is the man



to see... these days, when money is of prime importance. His complete analysis of your present insurance shows how well you are protected. And if there are any weak spots in your whole protection plan, he recommends the newest, most practical policies to make your insurance sound.

Right now, *The Man with the Plan* recommends the new low-cost Employers' Group Family Liability Policy... a \$10.00-a-year single policy which covers law suits for injuries caused by you, your wife or children... yes, even your dog or cat. It covers all types of accidents, anywhere, for which you may be liable, exclusive of automobile.

Do you need this policy? See for yourself, now. Ask *The Man with the Plan* to make a complete analysis of your insurance protection. He'll gladly do it free.

THE EMPLOYERS' GROUP MAN IS

***The Man with the Plan***

THE EMPLOYERS' GROUP • 110 MILK STREET, BOSTON, MASS.



THE EMPLOYERS' LIABILITY ASSURANCE CORP., LTD.  
THE EMPLOYERS' FIRE INSURANCE CO.  
AMERICAN EMPLOYERS' INSURANCE CO.

## San Francisco Is Visited by Justice Department Men

SAN FRANCISCO—The fire insurance district became acutely interested in the Department of Justice last week when word got around that an investigator, presumed to be a representative of that department, was here interviewing company officials and insurance organizations such as the Insurance Brokers Exchange. The matter was informally discussed at a meeting of the executive committee of the Pacific Board, indicating that some had been visited but the full intent and definite objectives of the visits were not completely comprehended.

Some see a connection between the visit and the activities of some brokers, company executives and organizations looking toward the elimination of the separation rule in the west and the abrogation of the agreements now existing between the Pacific Board and Insurance Brokers Exchange and Society of Insurance Brokers. This agreement, which has existed between the board and the exchange since the latter's organization in 1906, provides that brokers, members of the exchange, place business only with company members of the board and vice-versa. It is known that some large brokerage firms, while subscribing to this doctrine also have a feeling that they are somewhat hampered in their operations on large lines particularly and where valued customers request policies of non-board companies. There appears to be a growing sentiment among this group—and a scattering number of smaller brokers—that they should be free to place business with any company regardless of affiliation. Many members of the exchange and society are members solely for the "franchise" of placing business with board members.

While the recent Chicago situation between the companies and brokers is cited here as an illustration it is not entirely analogous, but the result would be the same if the agreements existing between board, exchange and society were abrogated.

## Tully, Stitt and Sweet New Presidents of 3 Units of Starkweather & Shepley

Following the death of John F. Huntsman, who was president of Starkweather & Shepley, Inc., of Rhode Island, of New York and of Illinois, a new official setup has been perfected. William J. Tully becomes president of the Rhode Island corporation, L. D. Stitt is the new Illinois president and Howard C. Sweet holds that position in New York.

Although Mr. Huntsman was president of the three corporations, he resided in New York and devoted his attention mainly to the work of that unit.

Mr. Tully has been vice-president and treasurer of the Rhode Island corporation, Mr. Stitt has been vice-president in Illinois and Mr. Sweet was formerly assistant secretary in New York.

Mr. Tully also acts as treasurer of the Illinois and New York offices. He has been with Starkweather & Shepley from boyhood. Mr. Stitt has been with the Illinois corporation since 1928, previously having been with Marsh & McLennan and before that with Great American.

In Rhode Island, Howard C. Sanford has been newly appointed as assistant secretary. In New York, Paul A. Huntsman, son of the late president, who has been assistant secretary, was elected secretary and Gordon W. Gould is newly appointed as assistant secretary.

Starkweather & Shepley was formed

## Credit Group Seeks Method of Getting Insurance Facts

The insurance group of the National Association of Credit Men at its meeting during the credit congress in St. Louis last week passed a resolution asking the association to appoint a standing insurance committee. The committee, composed equally of representatives of credit departments and insurance groups would consider development of an efficient and economic method of gathering and dis-



DON C. CAMPBELL

seminating reliable data on insurance protection of the accounts of credit men.

The resolution further urged the establishment of local insurance advisory councils in all of the 120 local associations of credit men throughout the country to coordinate with the national committee to further the appreciation of the problems of insurance in relation to credit, and that insurance subjects be made a part of the meetings, forum programs and educational activities.

The insurance group urged that all business renew or secure adequate coverage under War Damage Corporation policies.

Don C. Campbell, credit manager of America Fore, Chicago, was reelected chairman. The vice-chairmen are J. M. Eaton, American Mutual Alliance; T. Alfred Fleming, National Board; J. Dillard Hall, U. S. F. & G.; H. J. Lowry, Michigan Mutual Liability, and A. L. Papenfuss, Employers Mutual Liability, and secretary, E. B. Moran, central division manager of the National Association of Credit Men, Chicago.

Recent developments in insurance activities of credit men's associations, government payment and performance bonds, and comprehensive fire and liability coverages were informally discussed.

## Chicago Adjusters Outing

The Adjusters Association of Chicago will hold its annual golf outing at Itasca golf club June 17. There will be prizes and a steak dinner, followed by cards. C. E. Umbright, Western Adjustment is committee chairman.

## W. L. Dawes in New Post

Walter L. Dawes, former Pacific marine manager of Fire Association, was elected vice-president of California Agencies, Inc., with headquarters at San Francisco. He will aid in production of fire, marine and casualty lines. The agency plans extension of its ocean marine activities.

in 1871 and has enjoyed a successful business ever since. It is one of the outstanding agencies of the country.

## W. Va. Agents Take Active Steps

The time and place of the annual meeting of the West Virginia Association of Insurance Agents are to be determined by the president, chairman of the executive committee and secretary and members are requested to communicate any suggestions they may have on this matter, in a bulletin from W. G. Caperton, Jr., of Charleston, chairman of the executive committee, and E. L. Norris of Huntington, secretary.

In this bulletin it was reported that a special committee has asked the National Automobile Underwriters Association to introduce the new 80-20 collision coverage in West Virginia.

A letter has been written to Lieut. Col. H. E. Erickson, in charge of fire prevention for the 5th service command, offering assistance of the agents association.

The executive committee has authorized the securing of names of all agents and solicitors by counties. These names

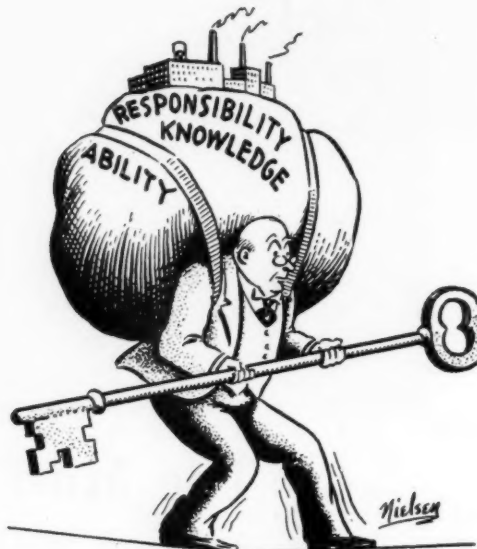
will be sent to legitimate agents of each county to determine whether there are any agents on the list that are licensed merely to write their own personal business, to place insurance principally on property of their employer or employees or to write insurance because of pressure they can exert in view of their position.

Violations in each county, it is intended, shall be reported to the state association which in turn will turn over the facts to the West Virginia department.

The bulletin remarked upon the failure of the agents' qualification bill in the legislature. The opinion is expressed that during the next two years the importance of such a measure will become clear to all agents and companies. The recent appointment of all General Motors dealers as insurance agents is an example of what may be expected, according to the bulletin. About 90 dealers have already obtained a license for General Exchange and 30 or 40 will probably later seek appointment.

The "A B Cs of Wartime Driving" helps sell auto insurance. Write National Underwriter for samples.

FOR FIRE AND CASUALTY MEN ONLY!



## Know Any Key Men?

► Take a look around! Right in your own customers' file is many a concern that depends primarily on one man for its success. ► When the fragile wire of his life snaps, the company may lose its most valuable asset. ► Union Mutual's surplus building Key Man Insurance gives that concern two-way protection. ► Besides you will find it's just the key for unlocking Life Insurance commission. ► A letter to Rolland E. Irish, president, will bring you complete information.



**UNION MUTUAL**  
LIFE INSURANCE COMPANY

Portland **MAINE** Home Office





## A TEAM FOR *Victory!*

From the split-second timing of gridiron strategy to the perfect precision of plane-ground force coordination, efficient teamwork is an outstanding American characteristic.

And it's a characteristic that American property insurance agents have demonstrated in this national emergency—in more ways than one. For instance, they are bringing sound insurance protection to American homes and American industry, and are maintaining efficient service to policyholders, in spite of many handicaps, such as shortage of help and curtailment of transportation facilities. And this in addition to many duties con-

nected with civilian defense—so important to the nation at war.

What's more, they are patriotically cooperating with our company in its modest contribution to financing the war through the Ninetieth Anniversary War Loan campaign in the following way:

*All new gross premiums collected on fire and other policies that the Home writes for the balance of the year are being invested in War Loan Bonds. These purchases are OVER and ABOVE the normal government bond purchases which the Company is continuing to make.*

That's American teamwork—and it's cooperation that can only spell Victory!



☆ THE HOME ☆  
*Insurance Company*  
NEW YORK

FIRE ★ AUTOMOBILE ★ MARINE INSURANCE

*Ninetieth Anniversary Year*

## Commissioners' Card Announced

(CONTINUED FROM PAGE 1)

11 a. m.—Georgian Room—Full session of the association.

Invocation—Right Rev. R. P. Barry. Solo by Mrs. J. Herbert Graves.

Roll call.

Welcome to Massachusetts. Horace T. Cahill, lieutenant governor.

Response by Commissioner Gontrom, Maryland, chairman executive committee.

Welcome to Boston. Mayor Maurice J. Tobin.

Response by Commissioner Johnson, Minnesota.

Presidential address—Commissioner Williams, Mississippi.

Introduction of new commissioners.

Report of the secretary, Commissioner Read, Oklahoma.

1 p. m.—Main ballroom—Luncheon.

2:30 p. m.—Parlor C—Committee on uniform countersignature laws. Requested by Harrington, Massachusetts.

3:30 p. m.—Parlor A—Examinations committee. Requested by Read, Oklahoma.

4:30 p. m.—Parlor D—Sub-committee on real estate appraisal forms. Requested by Harrington, Massachusetts.

5 p. m.—Parlor D—Sub-committee on industrial life insurance to consider uniform legislation relative to industrial life insurance. Requested by Harrington, Massachusetts.

6 p. m.—Parlor A—Meeting of zone 1. Requested by Blackall, Connecticut.

**Tuesday, June 8**

9 a. m.—Parlor A—Sub-committee on taxation. Requested by Thompson, Oregon.

10 a. m.—Parlor C—Sub-committee on accident and health. Approval of policy forms. Requested by McCormack, Tennessee.

11 a. m.—Georgian room—Full session of the association.

Greetings—Benjamin B. Priest, senate chairman; John H. Valentine, house chairman, committee on insurance, Massachusetts legislature.

Proposed amendment to constitution.

Reports of committees.

Other business.

12 noon—Georgian room—Executive session of the association.

**Afternoon Program**

2 p. m.—Parlor C—Laws and legislation committee. The Guertin bill and unauthorized insurance bill. Requested by Frazler, Nebraska, and Perkins, Maine.

2 p. m.—Parlor A—Sub-committee on blanks to consider the revision of Schedule P. Requested by Cleary, actuary, Massachusetts.

3 p. m.—Parlor D—Valuations committee. Requested by Cullen, New York.

4 p. m.—Parlor A—Workmen's compensation committee. Requested by Duel, Wisconsin. (1) The consideration of the contingency factor. (2) The consideration of continuing the present procedure in establishing rates.

5 p. m.—Parlor C—Interstate rating committee. Requested by Cullen, New York.

7 p. m.—Main ballroom—Informal dinner.

Addresses by Governor Saltonstall; John Sharp Williams, III, president of the association; E. C. Stone, U. S. man-

ager Employers' Liability; Guy W. Cox, president John Hancock Mutual Life; Marshall B. Dalton, president Boston Manufacturers Mutual Fire and Mutual Boiler.

**Wednesday, June 9**

9 a. m.—Parlor A—Fire prevention committee. Requested by Gontrom, Maryland.

11 a. m.—Faneuil hall—Final session of the association.

Reports of committees.

Election of officers.

## Western Bureau Reelects Officers

(CONTINUED FROM PAGE 3)

lating on the possibility of the Bureau becoming affiliated with the Western Underwriters Association. To say the least, that is utter speculation. Regardless of whatever else may occur there is not even the slightest thought or intent on the part of the members to dissolve the Bureau or merge it with any other association. The numerical strength of the Western Insurance Bureau cannot be accepted as the gauge of its true strength and effectiveness, or its influence upon mid-western insurance affairs. The Bureau finds itself at full tide of usefulness, standing as it does for high principles and ideals in the conduct of the fire insurance business, for the maintenance of good practices by its members, and for even-handed justice toward the public. It will continue as heretofore to be an important vehicle through which so many constructive measures have been introduced into our business, and it will also continue to be an integral and indispensable part of the insurance business in the middle west. The dissolution of the Western Insurance Bureau, or its merger with any other organization or association, is impossible and unthinkable."

### Some Issues Discussed

The question of recording local agencies being converted to non-policy writing agencies was discussed. The Western Underwriters Association had taken up this subject and it was found that the Western Insurance Bureau companies are confronted with the same problem. In an effort to reduce expenses a plan will be submitted by a field man to an agency to write all its policies at the general office and relieve the agent of the work and expense. The Bureau felt that cognizance should be taken of this situation and proper legislation be enacted.

The question of loss adjustments came up. President Clark stated that he and some of the other executives had been in conference with the Western Loss Association officers on a number of questions that come up, chiefly the use of loss drafts in local agencies and other practices that are regarded as having dangerous elements. Also the adjustment of losses during the war

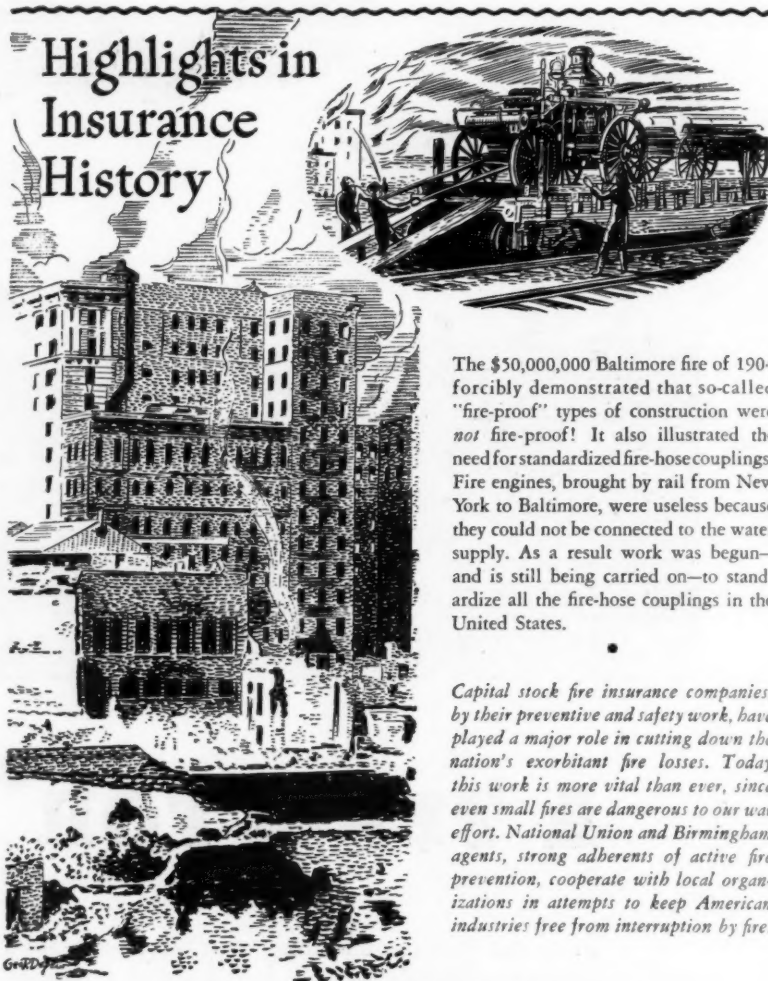
time period relating to use and occupancy and other lines received attention.

### Deviations Allowed in Va.

Under an order of the Virginia corporation commission, Farm Bureau Mutual

Automobile, Farm Bureau Mutual Fire and State Farm Mutual will be permitted to deviate 25% from manual rates on automobile fire, theft and collision. The commission forbids cancellation and rewriting of policies in anticipation of the new rate.

## Highlights in Insurance History



The \$50,000,000 Baltimore fire of 1904 forcibly demonstrated that so-called "fire-proof" types of construction were not fire-proof! It also illustrated the need for standardized fire-hose couplings. Fire engines, brought by rail from New York to Baltimore, were useless because they could not be connected to the water supply. As a result work was begun—and is still being carried on—to standardize all the fire-hose couplings in the United States.

Capital stock fire insurance companies, by their preventive and safety work, have played a major role in cutting down the nation's exorbitant fire losses. Today this work is more vital than ever, since even small fires are dangerous to our war effort. National Union and Birmingham agents, strong adherents of active fire prevention, cooperate with local organizations in attempts to keep American industries free from interruption by fire.

# National Union

and Birmingham

FIRE INSURANCE COMPANIES

PITTSBURGH • PENNSYLVANIA



# MARSH & McLENNAN

INCORPORATED

## INSURANCE

Federal Reserve Bank Building • 164 West Jackson Blvd., Chicago

NEW YORK  
BUFFALO  
PITTSBURGH  
CLEVELAND  
COLUMBUS  
DETROIT  
INDIANAPOLIS  
MILWAUKEE  
MINNEAPOLIS  
DULUTH  
PHOENIX  
SAN FRANCISCO  
LOS ANGELES  
PORTLAND  
SEATTLE  
VANCOUVER  
MONTREAL  
BOSTON  
ST. LOUIS  
WASHINGTON  
LONDON



# 25<sup>TH</sup> Anniversary

## AMERICAN EQUITABLE ASSURANCE COMPANY of NEW YORK



### FINANCIAL STATEMENT DECEMBER 31, 1942

ASSETS	LIABILITIES
Cash in Banks.....\$1,000,792.96	Reserve for Unearned Premiums.....\$5,311,928.77
U. S. Government Bonds..... 4,099,538.37	Reserve for Losses..... 568,865.62
All Other Bonds..... 650,257.15	Reserve for all other Liabilities..... 307,046.84
Stocks—Preferred and Common..... 2,777,317.41	Capital .....\$1,000,000.00
Real Estate ..... 4,150.00	Surplus ..... 2,180,334.63
Mortgage Loans ..... 105,325.00	Surplus to Policyholders..... 3,180,334.63
Premiums and Accounts Receivable... 681,535.23	
Reinsurance Receivable ..... 25,092.68	
Accrued Interest ..... 24,166.06	
<u>\$9,368,174.86</u>	<u>\$9,368,174.86</u>

Bonds and stocks valued on basis prescribed by New York Insurance Department.

Securities carried at \$505,110.62 in above statement are deposited for purposes required by law.

ON ACTUAL MARKET VALUE BASIS FOR ALL SECURITIES.

**SURPLUS TO POLICYHOLDERS \$3,250,979.89**

**LOSSES PAID SINCE ORGANIZATION EXCEED \$127,000,000**

**CORROON & REYNOLDS, Inc.**

*Manager*

**92 William Street, New York, N. Y.**

## Ask for 1943 N. Y. Fire Policy

(CONTINUED FROM PAGE 1)

granted a license, but apparently the decision was based on the fact that the applicant had not theretofore been licensed as an agent in Virginia rather than on the points of law involved. Mr. West said the agents infer from this that after the automobile dealer-agent has been in operation for 12 months there is a strong possibility he will then be denied a renewal of the license. The matter is being closely followed.

The conference committee of the Virginia association last year asked a reduction in windstorm and extended coverage rates. Discussions are still going on with the governing committee. The Virginia Rating Bureau has announced that effective May 20, classification of suburban communities is in its hands for determination, and Mr. West believes property classified as farms will now be reclassified as fourth class.

### Commissions on Bankers Bonds

The casualty and surety committee of the state association has recommended consideration of the question of commissions paid by companies on commercial and bankers blanket bonds, Mr. West said. The committee feels that these commissions are out of line with those paid on other classes of business of a similar nature.

Mr. West said the accident prevention committee is now in process of contacting local boards to secure their cooperation in carrying on an accident prevention campaign aimed directly at industrial plants and automobile and truck drivers. The committee is distributing supplies of booklets and window posters to be used by industrial plant foremen.

### Fund Raising Campaign

It was decided at the convention to stage a campaign June 1-15 to raise funds for the National Association public relations program. Key men will be selected to contact agents in various parts of the state.

David A. North, National association president, spoke on the public relations program. He was given an ovation when he was escorted to the platform by W. Owen Wilson, Richmond, past president of the National association. In a resolution the convention lauded Mr. North for his courage and vision.

Roy A. Duffus, Rochester, N. Y., local agent, made a hit with technicolor motion pictures which he showed with his talk. He detailed some of the methods he uses in getting business in these days of war-emergency. He has resorted chiefly to letter writing and the telephone, and this has proved quite successful. He said that rationing is good for people because it teaches the importance of conserving things.

Norfolk was again awarded the B. P.

Carter silver trophy for the outstanding work of the year. Thomas E. Sims, state agent of Fireman's Fund, headed the committee of company representatives which selected the winner.

The association pledged itself to assist in the maintenance of renewals of agents in service. The Virginia department was requested to see to it that the licenses of these agents are continued.

The convention expressed its regret at the illness of Donald C. Hancock, Richmond, a past president of the association. His condition was reported serious. George A. Bowles, Virginia commissioner, who frequently attends the state meetings was confined to his home with whooping cough.

Jacob Haun read a letter from Caleb D. West of Newport News, head of C. D. West & Co. and father of the association's retiring president, who is associated with him in the business. C. D. West, Sr., was unable to attend. He is one of two surviving charter members of the association which was organized by Lynchburg 45 years ago. The other is his elder brother, Junius E. West of Suffolk, member of the agency of West & Withers. West said in his letter that the agents' organization has done a great deal for the business in improving relations between agents themselves and between agents and companies. He stated that he did not believe the insurance business as it is constituted today could have survived if these old conditions of suspicion and distrust had continued.

### Small Tells Corollary Benefits of Laboratories

(CONTINUED FROM PAGE 1)

great expansion in commerce and industry. The skyscraper lifted much burnable property out of reach of grounded fire departments as Baltimore was to prove. Single establishments were set up with contents of insurable values exceeding those of many whole communities.

Fire insurance assumed obligations many times larger than theretofore and recognized new hazards. Local groups were organized to study causes of fire and ways to control it. These local operations produced rules and regulations of such variation that it became difficult for insurance companies to operate beyond local boundaries. Towards the end of the century the N.F.P.A. was established and at the same time there was commenced organized studies of the facts of fire behavior and of performances of devices and materials as causes of fire, as fire retardants or as means of fire extinguishment or other control. One such study was that directed by William H. Merrill, Jr., for the Chicago Board. He recognized the importance of tackling the problem on a national basis and got the sponsorship of the National Board. The project then became a national organization.

U. L., he stated, strives to employ appropriate tests and test methods so

that the published opinions are four square with related facts. The Laboratories are without bias as to the outcome of their investigation. It has no commercial interest in a product. U. L. opinion is recorded only in the affirmative. It has no blacklist and its unfavorable opinions are not broadcast.

Other speakers at the closing session of the A.M.A. gathering were R. P. Barbour, U. S. manager Northern Assurance and retiring president National Board, and Harry Kleinsmith, New York department.

Mr. Barbour described in detail the changes made in revising the New York standard fire policy and stressed its simplicity.

It appears that the basis for underwriting large liability risks is the overall experience of all casualty lines and particularly the combined experience of liability and workmen's compensation, Mr. Kleinsmith said. If insurance buyers purchased complete liability coverage from a single company, he suggested it might result in simplification of the rating structure with eventual development of a single rate by classes of business for liability other than automobile, based on some one measure of exposure such as sales or payroll. This may eliminate some of the gaps and overlapping of present coverages and also lead to the development of a retrospective rating plan for liability or a plan combining both liability and workmen's compensation.

### PREDICTS CHANGES

The more important changes which Mr. Kleinsmith predicted for the future are policies giving complete protection against all property losses, provision under a single policy of complete legal liability for personal injury and property damage; a more general use of the newer coverages available; broader coverages under present policies and new forms of social insurance.

The time may not be far distant when a single corporation will write both fire and casualty coverages, requiring a broadening of existing statutory powers. It is felt by some that combined policies written jointly by fire and casualty companies can be developed to meet all requirements.

Conditions are most favorable for broader coverages when the operations of a company group as a whole are viewed as more important than those of its individual members or departments within a company.

Handling of large fire risks could be expedited and confusion avoided if one company were to write the entire risk and reinsure either on a pro-rata or an excess of loss basis.

Other developments which Mr. Kleinsmith sees as possibilities in the future are insurance against liability arising from diseases attributable to the unsafe or unsanitary conditions of buildings; medical benefits such as those presently provided by automobile policies under liability other than automobile coverage; protection against liability for damage to property of others in the care, custody or control of the insured; development by fidelity underwriters of a form similar to bankers' blanket bond forms for the commercial and industrial fields; organization of a super reinsurance company for property losses to provide catastrophe reinsurance facilities.

Attendance was close to 600.

### Discussion Period

The financial condition of a company should primarily be viewed from the standpoint of a policyholder, K. C. Bell, Chase National Bank, said during a discussion period. Liquidity from cash and government bond holdings are important for a fire company which will likely have to pay a large amount out at once rather than spreading it over a period of years. The companies in most cases should not have extensive mortgage loans or real estate investments. Policyholders surplus and pre-

## THE PHOENIX-CONNECTICUT GROUP of Fire Insurance Companies



**The Phoenix**  
Insurance Company, Hartford, Conn.  
1854

**The Connecticut**  
Fire Insurance Co., Hartford, Conn.  
1850

**FOUTABLE**  
Fire & Marine Insurance Company  
Providence, R.I.  
1859

ATLANTIC FIRE INSURANCE CO.  
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.  
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.  
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.  
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA  
Montreal, Canada



HARTFORD  
30 Trinity Street

CHICAGO  
Insurance Exchange

NEW YORK  
110 William Street

SAN FRANCISCO  
220 Montgomery Street



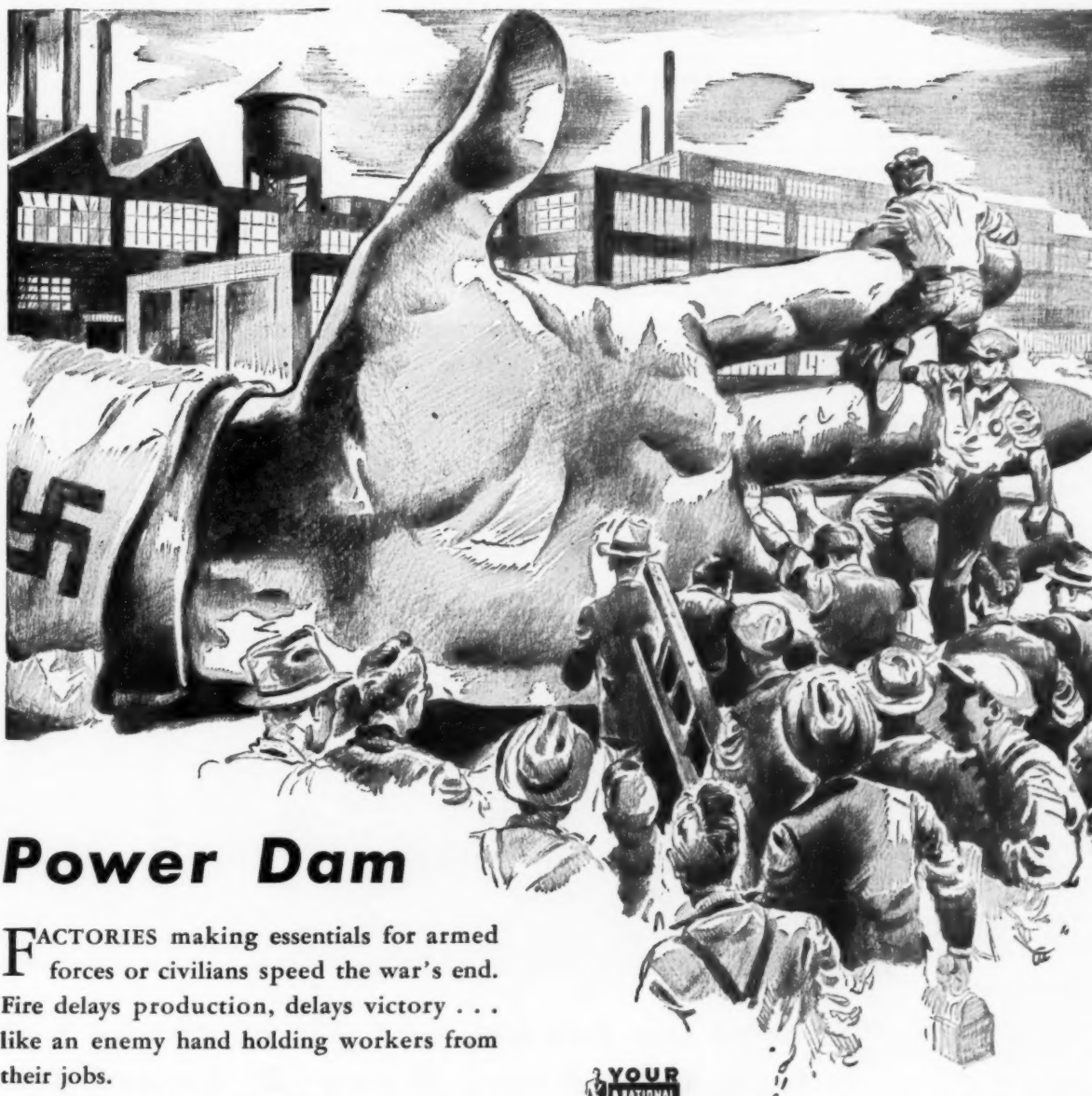
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**F**ACTORIES making essentials for armed forces or civilians speed the war's end. Fire delays production, delays victory . . . like an enemy hand holding workers from their jobs.

Safety work by National Fire Group agents helps prevent fire. But if fire attacks, they act quickly to speed return to full production.

• • •

Appreciation of your services, in your relations with the public, will increase as you make sure property owners have adequate coverage to match higher replacement costs.

• • •



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NATIONAL FIRE INSURANCE COMPANY OF HARTFORD • MECHANICS & TRADERS INSURANCE COMPANY  
FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK • TRANSCONTINENTAL INSURANCE COMPANY

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WESTERN DEPT. 171 WEST JACKSON BLVD., CHICAGO • PACIFIC DEPT. 234 BUSH ST., SAN FRANCISCO

**WHEN ARRANGING YOUR POLICYHOLDERS' WAR DAMAGE INSURANCE ARE YOU REVIEWING THEIR REGULAR FIRE INSURANCE TOO? BOTH ARE IMPORTANT.**

mum reserve should be at least equal and if the surplus is larger, so much the better, particularly in the case of casualty companies.

Mr. Bell said it is desirable for a buyer to know something about a company's retention and reinsurance. Henry Anderson, Paramount Pictures, said a buyer should not be held responsible for knowledge of company's reinsurance arrangements.

A. P. Lange, Hale Bros. stores, San Francisco, said that it is occasionally desirable to pay nuisance claims, even if there is no liability. W. A. Sullivan, Loose-Wiles Biscuit Co., said the payment of fake claims could not be tolerated and he decides whether a claim should be paid after an investigation as to whether it is legitimate. Sometimes by the payment of a property damage claim and getting a release, a claim for personal injury may be avoided.

An honest and sincere effort to select agents and brokers who know the particular coverage best, wherever they may be, is important to buyers. Mr. Sullivan said requirements may necessitate special coverages unfamiliar to some agents.

L. H. Wiggers, Procter & Gamble, said he found that although agents and brokers bring things to him, he knows about developments through the trade press at an earlier date. His department has specialists in the various lines who are encouraged to learn as much about insurance as they can and read insurance papers and magazines. He said statistical work is important to the buyer and his department keeps a record of losses by departments and plants year by year.

## U. & O. RATE REVISION

Commenting on the revision in U. & O. rates, Mr. Lange said no rates should be promulgated unless justified. He criticized the 100% increase in rates as not being based on experience. His firm's practice is to have a specific amount stated in the policy and not have a policy period limited to any definite period of time.

Elimination of the present artificial barriers between fire, marine and casualty coverage offers the widest field for new developments in coverages. Mr. Anderson said. When he has a specific policy for a given risk, he said he does not want it restricted by these limitations.

P. H. Schindler, Youngstown Sheet & Tube, said the development of comprehensive liability coverage is all to the good and the need for such coverage had been felt for some time previously. Mr. Anderson said other branches of the business can learn much by the development of this coverage.

### All Risk Coverage

The question of all risk coverage came up in the discussion. One speaker said it is possible to get all risk coverage if the buyer knows where to go for it and that his policies covered "all loss or damage" followed by the exceptions in inland marine policies. Although companies state that they cannot write flood insurance, they are covering it on motor truck cargo and also on bridges under the "pretext" of inland marine coverage.

A number of opinions were expressed on the question of federal supervision of insurance. The consensus was that a state system is preferable provided the states and the public are alert and that insurance supervision doesn't become a political football. If it is really desired to make changes in state law, it can be accomplished. One speaker said that federal supervision was one thing and federal participation another. He said it would be more desirable to have the companies write war risk direct with the government acting as reinsurer. The federal government should not be in the direct writing field. Private companies, he said, do a good job and don't take advantage of state lines.

In the discussion on nuisance claims, a speaker said that if it were found that claims were coming from a particular section, it paid to test two or three.

## Committees Busy, But Whisky Issue Still Confused

How to insure whisky in view of the OPA price ceilings still belongs to the department of utter confusion. It is reported that a broker for one of the big distilleries wrote to the seven interested companies asking for their reaction to a proposed basis for arranging the coverage on the whisky of a distillery that had been taken over by the larger organization. According to this report the broker got seven entirely different replies.

Committees are at work on the problem but the answer has not yet been forthcoming.

Nearly all underwriters, it appears, would be perfectly willing, provided such

a procedure is acceptable to OPA, to issue a form of profits insurance whereunder in the event of loss to bulk whisky, recovery would be based upon the OPA ceiling for bottled goods of the same age as the bulk whisky that was destroyed, rather than upon the OPA ceiling for the bulk whisky itself.

However, the distillers, it appears, have their heads in the clouds when it comes to reckoning whisky values these days. Perhaps they are going on the assumption that it will be impossible for the government to hold the line on prices, with the public appetite for whisky at its present height and with people asking not how much but can I get it. Some brokers have been trying to get insurance for their clients on the basis of what insurance will bring several years hence. For instance, on three year old whisky they want the basis of recovery to be the value that is placed on seven year old whisky in bottles.

## Committee on Forshay Memorial Appointed

President North of the National Association of Insurance Agents has appointed a special committee to prepare a memorial in tribute to the late R. W. Forshay of Anita, Ia., immediate past president. This will be presented at the annual meeting in Pittsburgh. The committee consists of C. Stanley Stults, Hightstown, N. J., chairman; H. W. Bradshaw, Delphi, Ind.; C. V. Davis, Sheridan, Wyo.; C. F. Liscomb, Duluth; W. H. Menn, Los Angeles; Sidney O. Smith, Gainesville, Ga.; W. Ray Thomas, Pittsburgh; Allan I. Wolff, Chicago.

## Pay Mortgagor on Small Losses

MADISON, WIS.—Governor Goodland has signed the bill providing that fire losses of \$50 or less shall be paid solely to the assured mortgagor.



## "Except for Brown, our plant could not have won that Army-Navy 'E' Award today!"

"—In fact we might not even have a plant. Brown is our insurance agent, and he's a good one. When we started to convert our plant to war production work, Brown pointed out the new hazards we would likely face. I told him to go ahead, do whatever was necessary.

"Under his supervision a comprehensive new policy audit and survey was made, including reinspection for fire and liability hazards. New fire doors were installed, new coverages

were written to close the gaps and provide full protection.

"About three months ago we had a fire, but thanks to Brown's recommendations, we were able to confine it to one small department, with hardly any loss of production. So Brown really deserves a share of that award.

"Brown's company, the General of America, has backed him up in every way, given us wonderful cooperation. We're mighty well sold on them both."

AGENT BROWN IS DOING A BIG AND IMPORTANT JOB THESE DAYS AIDING AMERICA'S INDUSTRY IN THE BATTLE OF PRODUCTION. THE GENERAL OF AMERICA IS GEARED TO THE JOB OF SERVING WAR-TIME AMERICA THROUGH THOUSANDS OF SUCCESSFUL AGENCIES LIKE BROWN'S.

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**GENERAL  
INSURANCE CO.  
OF AMERICA  
Home Office**





## NEWS OF FIELD MEN

### Fire Association Names E. A. Harper in Seattle

E. A. Harper, who has been with the home office of Northwestern Mutual Fire and Northwest Casualty, has become special agent in Seattle of Fire Association. He takes over the duties of E. M. Hutchings, retired Fire Association field man, who was pressed into service when Guy N. Hedreen left to join the plant inspection service of the war department. Mr. Hutchings is returning to the independent adjusting business.

Mr. Harper joined Northwestern Mutual in 1927 and had extensive experience in fire and casualty underwriting. He spent two years in the field, doing sales promotion, audits and inspection work. Subsequently, he also handled inland marine lines. For a short time in 1936-37 he left Northwestern Mutual to serve as underwriting manager of the Washington General Agency of Seattle, later returning to Northwestern Mutual. Recently he has been in charge of the brokerage department.

Mr. Harper will travel all of Washington, except for a portion of the southwestern part of the state which is traveled by Walter R. Fritz, field man at Portland; northern Idaho and northwestern Montana.

### Robt. J. Gray Ohio State Agent of Royal Exchange

Robert J. Gray, who has been traveling for American Eagle and Niagara in southern Ohio for the past three years, has joined Royal Exchange as Ohio state agent taking the place of James D. Lecky, Jr., who has become vice-president and manager of Ohio Insurance Company.

Mr. Gray started with the Ohio Inspection Bureau in 1913 and in 1917 became special agent for Cleveland National in Ohio. After serving in the former war he went with Liverpool & London & Globe as Ohio special agent and later served Scottish Union in that state. He has been with America Fore for the past 15 years.

### Seattle Blue Goose to Hold Its Annual Meeting June 21

SEATTLE—The annual meeting of the Seattle Blue Goose will be held June 21, with a golf tournament, business meeting and banquet comprising the day's activities. Paul J. Braun, a past most loyal gander, is chairman of the nominating committee. W. H. Patterson has been named chairman of the memorial committee and will conduct a memorial service.

The meeting at which these plans were announced was in charge of W. A. Groce, who arranged a showing of a sound movie, "Menace of the Rising Sun." Alfred Elgar, a chief petty officer in the British navy, told of his experiences in the battles of Crete, Dunkirk and Singapore. Ronald J. Mason of the royal navy, who was on the staff of Norwich Union in Leicester, Eng., before entering the service, also was a guest.

S. W. Trenbath, most loyal gander, announced that R. R. Robertson, agency superintendent in the northwest of Northern of London, has been advanced to lieutenant commander in the navy.

### Wm. L. Jones in Wisconsin Post for Dubuque F. & M.

William L. Jones has been appointed state agent for Wisconsin and the Upper Peninsula of Michigan for Dubuque F. & M., taking the place of Howard W. Bailey who has resigned. Mr. Jones has been with Dubuque for 15 years and was in charge of its western auto-

mobile department. He is a native of Wisconsin and prior to joining Dubuque was with Milwaukee Mechanics of which his father was president.

### West Virginia Pond Elects Weisgerber President

B. J. Weisgerber, North British & Mercantile, was elected most loyal gander of the West Virginia Blue Goose at

its annual meeting in Huntington. Other officers elected are V. K. Smith, Norwich Union, supervisor; E. T. Belanger, Scottish Union, custodian; T. J. Beagan, National Union, guardian; D. E. Wilson, Phoenix of London, keeper, and James G. Baldwin, Automobile, welder. The meeting was well attended. Afterward there was a social gathering, followed by a banquet.

### Ohio Preventionists Elect June 7

The Fire Prevention Association of Ohio will hold its annual meeting in Columbus, June 7. Richard E. Vernor,

Western Actuarial Bureau, Chicago, will speak at the dinner.

### Zell's Field Is Extended

George D. Merrill of Fargo, N. D., special agent for Hanover and Fulton Fire, has resigned. North Dakota and western Minnesota have now been placed under the direct supervision of State Agent Leonard E. Zell, 725 New York Life building, Minneapolis.

### Ill. Field Club Parley June 22

The Illinois Field Club, consisting of field men of companies that are members

*the* value of any protection system is proved by its actual long-term performance record in minimizing losses. The following statistical analysis of A.D.T. performance during 1942 and over the past ten-year period is convincing proof of the effectiveness of A.D.T. Electric Protection Services in preventing fire and burglary losses.

### SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE

Supervisory alarms, indicating impairment of sprinkler systems . . . . . 120,227

Waterflow alarms, indicating fires or serious leaks . . . . . 2,889

Percentage of fire and water damage losses to insurable values of protected properties 2/100ths of 1%

*During the past ten years, subscribers to A.D.T. Sprinkler Supervisory and Waterflow Alarm Service have enjoyed better than 99.98% IMMUNITY FROM FIRE AND WATER LOSSES.*

### WATCHMAN SUPERVISORY AND MANUAL FIRE ALARM SERVICE

Investigations of failures of watchmen to signal on schedule . . . . . 197,226

Total number of signals supervised approximately 300,000,000; hence, the patrol efficiency was . . . . . 99.94%

Manual Fire Alarms received . . . . . 1,797

Percentage of fire losses to insurable values 19/1,000ths of 1%

*During the past ten years, subscribers to A.D.T. Watchman Supervisory and Manual Fire Alarm Service have enjoyed 99.97% IMMUNITY FROM FIRE AND WATER LOSSES.*

### BURGLAR AND HOLDUP ALARM SERVICES

Burglars captured as result of A.D.T. alarms . . . . . 338

Percentage of losses in attacks on A.D.T. protection to insurable values protected 3/1,000ths of 1%

*During the past year, subscribers to A.D.T. Burglar Alarm Services have enjoyed 99.997% IMMUNITY FROM BURGLARY LOSSES.*

### A.D.T. ELECTRIC PROTECTION SERVICES

Controlled Companies of AMERICAN DISTRICT TELEGRAPH CO. 155 Sixth Avenue, New York  
CENTRAL STATION OFFICES IN ALL PRINCIPAL CITIES OF THE UNITED STATES



*Electric Protection Services*  
**AGAINST FIRE · BURGLARY · HOLDUP**  
A NATION-WIDE ORGANIZATION

of the Western Insurance Bureau, will hold its annual meeting June 22 at the LaSalle Hotel in Chicago. This is the same date as the meeting of the Illinois Fire Underwriters Association at the Edgewater Beach Hotel, Chicago.

#### Johnson at Bemidji Inspection

Commissioner Johnson, Deputy Commissioner Lund and John McHale, New York Underwriters, president of the Minnesota Fire Prevention Association, were speakers at a meeting in connection with an inspection of Bemidji, the commissioner's home town.

#### N. J. Special Agents to Elect

The New Jersey Special Agents Association will hold its annual meeting in Newark June 7. The executive committee has voted to eliminate the annual outing.

#### Ohio Pond Party June 8

The Ohio Blue Goose will hold its summer party June 8 at Brookside Golf & Country Club near Columbus. While the men play golf, the women will play bridge. A buffet dinner at 7:30 will be followed by dancing. Charles D. Lamb is chairman of the general committee.

#### Butler Shifted to Kansas

M. E. Butler, Oklahoma special agent of North America, has been transferred to Topeka to handle northern Kansas replacing State Agent Vernon B. Steenrod, who recently was commissioned a

lieutenant (jg) in the navy and has reported at Tucson, Ariz. Mr. Butler formerly headed the Kansas farm department with headquarters in Wichita and is a past big toad of the Sunflower Blue Goose puddle there.

#### Fete Hoffmaster in Texas

DALLAS — Vance D. Hoffmaster, Texas state agent of National Liberty, was honored on his 25th anniversary with the Home group by his associates. The party, which was attended by the several state agents and representatives from the marine department at Houston, was in charge of M. L. Canfield, manager of the Texas service department in Dallas. Mr. Hoffmaster was presented a 25-year medal and certificate. He joined Home after 11 years with Gross R. Scruggs & Co. and was appointed state agent for National Liberty in 1929.

#### St. Paul Names Nelson in Mont.

R. A. Nelson has been appointed special agent of St. Paul Fire & Marine in Montana. He will assist State Agent Earl E. Jones, traveling out of Great Falls.

The Anthracite Field Club of Pennsylvania at its May meeting voted to eliminate the June outing as was done last year. The next regular meeting will be held late in September.

John Belmeur, Virginia state agent for the St. Paul group, was elected to the executive committee of the Stock Fire Insurance Field Club of Virginia.

At the meeting of the Southern California Fire Underwriters Association June 7, a new technicolor sound picture on "Mexico" will be shown.

## COMPANIES

### Globe Offers \$68.50 for Shares of Virginia F. & M.

Globe Indemnity has submitted a proposal to acquire, if possible, 100% of the stock of Virginia F. & M. at \$68.50 per share, stockholders of the Richmond company have been advised. The offer is conditional upon there being available to Globe Indemnity not less than 34,000 shares on or before June 25 but at the option of Globe the date can be extended for a period of not exceeding 60 days.

Officers and directors recommend that the offer be accepted. All of the officers and directors have agreed as individuals to accept the offer. Among them they hold or represent stock ownership amounting to about 37% of the entire stock.

Globe Indemnity has expressed its intention to continue at Richmond the home office of Virginia F. & M. as well as the services of its officers.

Virginia F. & M. has employed as counsel Alexander W. Parker and J. J. Leake and the company will pay their fees thus making possible payment of \$68.50 per share to the stockholder without deduction.

State-Planters Bank & Trust Co. of Richmond will act as escrow agents and \$2,740,000 has been deposited by Globe Indemnity for disbursement to stockholders if the conditions outlined are met.

As of Dec. 31, 1942, Virginia F. & M. had assets of \$3,196,122, premium reserve \$952,442, capital \$1,000,000 and net surplus \$1,092,914. Net premiums written were \$916,515, losses paid \$353,491, dividends to stockholders \$40,000, expenses paid \$430,492.

William H. Palmer, Jr., board chairman of Virginia F. & M., says that while stockholders must agree to sell 34,000 shares to consummate sale he regards the sale as virtually assured.

H. T. Cartledge, deputy U. S. manager of Royal-Liverpool, of which Globe In-

demnity is a unit, spent a week or so in Richmond completing negotiations for purchase.

### P. J. Synor Is Advanced by National Union Fire

National Union Fire has elected P. J. Synor assistant secretary and comptroller.

Mr. Synor, a native of Pittsburgh, has been associated with National Union since 1927 in various capacities, more recently as comptroller, supervising the accounts and statistical department. He has taken active interest in such organizations as Insurance Accountants Association, National Office Management Association, National Association of Cost Accountants and is also on the faculty of the school of business administration of the University of Pittsburgh.

### White Rejoins Law Firm

William A. White, vice-president and general counsel of Pacific National Fire, has resigned to rejoin Keyes & Arskine, insurance law firm he was with before joining Pacific National.

## CHICAGO

#### REPORTING FORM DECISION

Despite the fact that under a reporting form of cover, the assured's last report prior to the loss was far below the actual value, Federal Judge Sullivan at Chicago has given a judgment for the full amount of the loss or \$51,200, to National Chemical & Manufacturing Co. of Chicago. A supply of paint and five gallon empty drums belonging to National Chemical were damaged in the fire Jan. 9, 1942, in the Herrmann Warehouse at 36th and Racine in Chicago. Millers National had a \$13,000 specific coverage and paid the full amount. Home Fire & Marine had the reporting policy with a \$50,000 limit.

National Chemical submitted on Dec. 22, 1941, a report of values as of Nov. 30, for \$12,000, whereas the actual value on that date was \$37,000. National Chemical had not included the value of the

## WANT ADS

**LOCAL AGENCY CONNECTION**—20 years experience both as local and special agent. Interested in connection with good local agency. Prefer to buy half interest but would consider any equitable proposition. Age 46, married. Best of references. Address R-98, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

#### FIELDMAN WANTED

For State of New Jersey by well-known Fire Company operating on non-affiliated basis. Will consider experienced underwriter or adjuster, who has field sales ability. Permanent opportunity in well established territory for right man. State history, qualifications and draft status. Replies held confidential and our representative knows of this advertisement. Address R-91, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

#### WANTED

Special Agent for Ohio. Prefer one who is acquainted with Ohio agents.

THE OHIO MUTUAL FIRE INSURANCE CO.  
Box 223 SALEM, OHIO

#### AGENCY FOR SALE

Agency with \$45,000 a year fire and casualty premium volume for sale. Located in large midwestern city. Lines well diversified. For details write R-95, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

empty drums. Home F. & M. contended that the insured should stand about \$19,000 of the loss.

Underwriters Salvage Company of Chicago took the damaged stock and sold the cans for \$1,750. No form had been executed by the assured authorizing the salvage company to take the merchandise, but two adjusters for Western Adjustment and a representative of the salvage company testified that there was a verbal agreement with the assured that the salvage company should act. Eight witnesses testified for the assured that there was no such verbal agreement and counsel for the assured contended that the salvage company had taken the merchandise without the consent of the assured and that hence the penalty provision in the reporting form was nullified.

Attorneys for the assured were Abner Goldenson and Max Krauss and the adjuster for the assured was Samuel Sommerfield. Hendrik Folonise was attorney for Home F. & M.

Attorneys for the assured and for Home Fire & Marine agreed beforehand that neither would appeal from Judge Sullivan's decision.

#### OPENS AVIATION DIVISION

The W. A. Alexander & Co. agency of Chicago has been appointed general agent for Associated Aviation Under-



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**CHARTER OAK FIRE  
INSURANCE COMPANY**  
~HARTFORD, CONNECTICUT~

Our engineering  
inspection service  
helps make the risk  
better for agent and  
client.



One of  
**THE TRAVELERS  
COMPANIES**  
Hartford, Conn.

### Dog—The Friend of Man



**SIBERIAN SLEDGE DOG**

The first discovery of the North Pole and many similar scientific achievements in the Arctic owe a great deal to the tireless efforts of sledge dogs such as this husky. Admiral Robert E. Peary went on record that if it had not been for the sledge dogs, he never could have won through to his history-making triumph.

This dog is closely related to the Samoyed, so named because used by the Samoyeds, a semi-nomadic race living in northeastern Russia and Siberia. These people keep herds of reindeer and some of the dogs are used in rounding up and driving these animals much as collies are used in caring for sheep and cattle. Thus, they perform other useful duties besides pulling explorers' sledges across the trackless, icy wastes.

#### Another Friend of Man

#### —INSURANCE—

Especially When Placed with  
A Friendly Company

### SECURITY FIRE INSURANCE COMPANY

DAVENPORT, IOWA

Protection Since 1883

(Reduced reprint from a series of calendar-blotters sent monthly to our agents and prospective agents.)



uwriters and Hugh E. Murphy, formerly head of the automobile department, becomes manager of the newly created aviation division.

#### FIELD CLUB OUTING

The Cook County Field Club will hold its annual golf outing at Itasca Country Club June 18. George F. Hoope of the Moore-Case agency is president.

#### McKEY & POAGUE OFFICE

McKey & Poague, general real estate firm in Chicago, has opened a new office at 29 South LaSalle to facilitate the handling of Fidelity Mutual Life properties. The office will, however, engage in a general real estate business as well, including insurance.

## NEW YORK

#### DALE SNURE VICE-PRESIDENT

Dale Snure has been elected resident vice-president in charge of the New York offices of Employers Mutual Liability and Employers Mutual Fire. He joined the sales organization of Employers Mutuals at Minneapolis in 1932, then in 1939 he was made manager of the newly opened Omaha branch. The next year he was transferred to New York as manager.

#### JEWISH CHARITY'S DINNER

A joint dinner of the general insurance and life insurance division of the United Jewish Appeal for Refugees, Overseas Needs and Palestine featured G. Z. Medalie, former U. S. attorney and president of the New York County Lawyers Association, as principal speaker. Lester Einstein, general agent Mutual Benefit Life, is chairman of the life division and L. S. Frenkel is chairman of the general insurance division.

#### Lucas Booklet on New N. Y. Policy Available

Julian Lucas, president of Davis, Dorland & Company of New York City, has written a booklet on the brand new New York standard fire insurance policy, effective July 1 and copies are available through Pennsylvania Fire as offered in its advertisement in this issue.

This booklet is similar in content to the one he wrote some years ago on the 1918 and 1886 policies. In addition to discussing the merits of the new policy compared with the 1918 and 1886 forms, he interprets and explains it line by line in everyday language. He also discusses the changes in the 1943 policy.

Mr. Lucas is recognized as an authority on the fire insurance policy, and was largely responsible for the new policy being adopted by the New York legislature. He served as advisor to the policy revision committee of the National Association of Insurance Commissioners under the chairmanship of Louis H. Pink, New York superintendent.

Mr. Lucas is a past president of the National Association of Insurance Brokers, having served two terms. In 1939 he completed 50 years in the insurance business. Previously he was awarded the General Brokers Association gold medal in recognition of his many years of meritorious service to the insurance business.

#### Signs Valuable Papers Bill

SAN FRANCISCO—The bill to permit both fire and casualty insurers to write all-risks on accounts receivable,

valuable papers, etc., has been signed by Governor Warren of California.

#### Lindahl Leaves Minn. Department

Robert T. Lindahl, for nearly 20 years on the staff of the Minnesota department and deputy commissioner for eight years under George W. Wells, Jr., has resigned to become manager of the New Deal Benefit Association of St. Cloud, Minn.

#### Mutual Agents to Meet Oct. 4-6

The National Association of Mutual Insurance Agents will hold its annual

meeting at the Hotel New Yorker, New York City, Oct. 4-6. President Lawrence Murray, Columbus, Ga., has appointed Eugene F. Wright of Valley Stream, L. I., chairman of the convention committee, with George E. Phelan, W. J. Constable, R. A. Brock, H. J. Bergren and J. A. Van Zandt, New York, as members.

#### 80-20 Form in Other States

In addition to the states in which the 80-20 automobile collision form was made effective initially it has subsequently been introduced in Iowa, Illinois

and Michigan. The states in which it was first made effective are Colorado, Kentucky, Minnesota, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, Wisconsin and Wyoming.

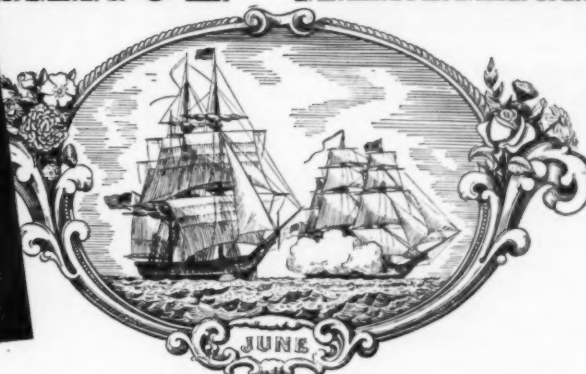
#### Management Men Elect

Gage McCotter, first vice-president of Grain Dealers National Mutual, has been elected president of the Indianapolis chapter of the National Office Management Association. Richard J. Layton of "Rough Notes" is vice-president; A. W. Leeb, Indianapolis Life, treasurer.

## INSURANCE ALMANAC

### Really NEW Insurance Advertising

This ad begins the new Fire Association Group campaign to help you increase business. Appearing in NATION'S BUSINESS and FORTUNE, this advertising reaches 540,000 successful men... including many of your best clients and prospects. Fire Association Group, Philadelphia, Pa. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto.



On June 22, 1807, came momentous tidings that the U.S.S. *Chesapeake* had been fired upon by the British *Leopard*, one of the major incidents leading to the War of 1812. From then on, the mercantile marine, squeezed by Napoleonic Wars, subject to embargoes, was in chaotic con-

dition. Marine insurance rates were prohibitive, and many insurance companies turned to fire insurance, although with the burning of Washington and other British successes, local fire risks were great and rates high. In today's war, fire insurance rates are lower than in any comparable wartime period.

#### 1943—JUNE hath 30 days

#### "In Wartime, Silence is Doubly Golden"

### ASTRONOMICAL CALCULATIONS

EASTERN STANDARD TIME

JUNE	LATITUDE + 30°		LATITUDE + 35°	
	SUNRISE	SUNSET	SUNRISE	SUNSET
1	5:00	6:56	4:48	7:08
6	4:59	6:58	4:46	7:11
11	4:58	7:00	4:45	7:14
16	4:58	7:02	4:45	7:16
21	4:59	7:04	4:46	7:17
26	5:00	7:05	4:47	7:18

JUNE	LATITUDE +40°		LATITUDE +45°	
	SUNRISE	SUNSET	SUNRISE	SUNSET
1	4:34	7:22	4:17	7:38
6	4:32	7:25	4:15	7:43
11	4:31	7:28	4:13	7:46
16	4:30	7:30	4:12	7:48
21	4:31	7:32	4:13	7:50
26	4:32	7:32	4:14	7:50

JUNE	LATITUDE +30°		LATITUDE +40°	
	MOON-RISE	MOON-SET	MOON-RISE	MOON-SET
1	4:16	5:49	4:02	6:06
3	5:40	7:38	5:19	8:00
5	7:14	9:16	6:51	9:39
7	8:56	10:41	8:36	11:00
9	10:41	11:55	10:28	12:36
11	12:28	12:30	12:23	1:36
13	2:21	1:30	2:26	2:36
15	4:24	2:56	4:39	2:43
17	6:34	4:30	6:57	4:09
19	8:39	6:25	9:01	5:04
21	10:23	8:40	10:40	6:21
23	11:49	10:50	11:55	10:41
25	12:27	12:52	12:28	12:53
27	1:40	2:48	1:51	2:59
29	2:57	4:39	2:40	4:48

To obtain local times of sunrise and sunset: for longitudes other than the standard time meridians (i.e. 75°, 90°, 105°, 120° for Eastern, Central, Mountain, Pacific Standard Time), decrease time four minutes for each degree east of standard meridian, or increase time four minutes for each degree west of standard meridian.

- 1—Tu.—John Masfield, English Dramatist and Poet-Laureate, born, 1875.
- 2—W.—*New Moon, 6:33 P.M., E.W.T.* 1851—Maine prohibition law enacted.
- 3—Th.—*Ascension Day.* Jefferson Davis born, 1808.
- 4—Fr.—U.S. Senate adopts woman suffrage amendment, 1919.
- 5—Sa.—Fire sweeps Constantinople, 1870—destroying 7,000 buildings. Loss estimated at \$25,000,000.
- 6—Su.—Avoid losses due to inadequate insurance. Check your property insurance regularly.
- 7—M.—200,000 persons killed in Messina earthquake, 1910.
- 8—Tu.—Tennessee secedes from Texas declares war against Union—1861.
- 9—W.—John Howard Payne, author of "Home, Sweet Home", born 1791.
- 10—Th.—*First Quarter, 10:35 P.M., E.W.T.* Bureau of Budget created, 1921.
- 11—Fr.—Lumbermen's Insurance Company incorporated, 1873.
- 12—Sa.—Have you acquired property recently? Make sure you have it covered by insurance.
- 13—Su.—Whitsunday, 1917. General Pershing and staff arrive Paris.
- 14—M.—Flag Day, 1940. Germans enter Paris.
- 15—Tu.—Excursion steamer General Slocum burns in East River, 1904—950 lives lost.
- 16—W.—Congress created N.R.A., 1933.
- 17—Th.—Battle of Bunker Hill, 1775. Amelia Earhart starts trans-Atlantic flight, 1928.
- 18—Fr.—*Full Moon, 1:14 A.M., E.W.T.* 1866—The National Board of Fire Underwriters organized. 77 years devoted to prevention of fires, and fire losses.
- 19—Sa.—The War Damage Corporation offers war damage insurance not covered in ordinary policies. See your Agent or Broker.
- 20—Su.—Fire sweeps St. John, N.B., 1877—100 casualties.
- 21—M.—Congress authorizes Boulder Dam project, 1929.
- 22—Tu.—Organization of U.S. Dept. of Justice, 1870.
- 23—W.—Your Insurance Agent or Broker is your expert adviser on insurance problems. See him twice a year.
- 24—Th.—*Last Quarter, 4:08 P.M., E.W.T.* Cabots discover N. America, 1450.
- 25—Fr.—Salem, Mass., destroyed, 1914—\$12,000,000 loss—large percentage compensated for by insurance.
- 26—Sa.—A.E.F. lands in France, 1917.
- 27—Su.—1880, Helen Keller born.
- 28—M.—1914, Franz Ferdinand of Austria assassinated. 1919, Versailles treaty signed.
- 29—Tu.—Pres. Wilson sailed for France, 1919.
- 30—W.—Diligent Hose Co. instituted, 1820—later becoming affiliated with Fire Association.

#### OBSERVATION for June:

Price levels are still rising. Replacement costs for some properties are up as much as 15 to 50% over two years ago. Many property insurance policies lag by this much in adequate coverage, and owners may stand to lose...

#### MORAL for June:

See your Insurance Broker or Agent today! Let him bring your insurance up to date. Check property insurance twice a year for your own security!

## FIRE ASSOCIATION GROUP

Fire Association of Philadelphia  
The Reliance Insurance Company  
PHILADELPHIA  
Lumbermen's Insurance Company  
Philadelphia National Insurance Company  
PENNSYLVANIA  
SYMBOL OF SECURITY SINCE 1817

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Insurance Personnel Specialists

106 W. Jackson HAR. 9040 Chicago, Illinois

## EDITORIAL COMMENT

### Politicalistics and Econometrics

We are fascinated by the announcement of the program for the annual dinner of the Controllors Congress in Chicago wherein it is stated that the principal speaker will be Dr. Charles F. Roos, president of the Econometrics Institute.

Does this announcement mean that the economist is now obsolete and that his place has been taken by the econometric and that they are now teaching in the colleges, instead of the old-fashioned politics and economics, politicalistics and econometrics?

### Quality of Presidential Addresses

The quality and vigor of presidential addresses at the conventions of state associations has been exceptionally high in recent months. The reports more generally show a close grasp of the problems confronting the industry and the responsibilities and purposes of the state association.

It is doubtful that this improved quality of the state president's address is due to better men elected to head associations. The character of the men who have occupied these posts has always been high. It is more likely the result of the more serious atmosphere of the times and of the fact that convention

programs have been shortened because of the war. Programs are not so long or so full. There are fewer top flight, out-of-state speakers, and more of the responsibility for articulating the program rests upon the state leaders. Where the program features an imposing list of performers occupying high offices the effect often is to overshadow local talent.

The fact remains that in many states the presidential report has ceased to be a routine list of matters that have come up for attention during the past year, and is an aggressive expression of leadership.

### Insuring with an Agent

The Curtis Publishing Company, which made a survey of customers' notions about fire and casualty insurance states that very few assured were able to name the company or companies in which they are insured. Perhaps this might seem to be a reflection on the insurance business and yet it is not. The far greater number of people pay very little attention to the companies in which they are insured. They insure with an agent or broker. They trust him to give them sound insurance.

Ask a person with whom he is insured and he will answer, "I am insured with John Doe." People in general insure with an agency or a broker.

Even well informed people who keep pretty close track of their insurance might not be able to spin off the names of the companies which carry their various kinds of insurance.

After all it is a tribute to the soliciting or field force to have the confidence of the public to such an extent that the producers are relied on to furnish only sound indemnity. At times we find that in case of a company failure an assured takes the position that the agent is morally responsible for his insurance and attempts to require him to replace his policy issued by the failed company without extra cost. The responsibility on an agent is not a light one.

### Humanizing Your Correspondence

All insurance offices will be interested in the announcement of the Mutual Life of New York that it has engaged a firm of correspondence experts to provide a course of instruction to all letter writers in the institution on ways of further simplifying and humanizing their correspondence. It may be too expensive and impractical for smaller offices to engage experts to make a survey of their letter writing but some one gifted in the art could give counsel. It

certainly would pay the larger ones to delve into the subject. However, all of us can take a lesson from this move and try to improve on the ways of writing letters.

In an initial survey conducted by the Mutual Life among its policyholders and the general public it was found that the average person did not understand many of the terms and phrases customarily used by insurance people in their letters and advertising material.

In many cases letter writing is still stereotyped. We stick to old-fashioned customs. We have the salutation and the complimentary close both of which take time to transcribe. After all the writing of a letter should be the same as a person speaking. It is the written voice, so to speak. Many people seem to take on another personality in writing a letter. Insurance people, we acknowledge, are too prone to employ in their letters the nomenclature of their business which is more or less technical.

The people on the street do not understand the terms and words used. There is no discrimination applied in writing to the public or writing to other insurance men. Every business has its technical or professional terms which should be used only in addressing those in the same line.

In these days when we are attempting to simplify operations, be clear, concise, there is an opportunity in correspondence to reduce work and make letters much more human than they are.

## PERSONAL SIDE OF THE BUSINESS

**J. P. Gibson**, vice-president and general manager of Excess, has returned to New York after a stay of about 10 days in Chicago.

**John S. Logan**, former attorney for the Nebraska insurance department, has resigned as U. S. commissioner at Lincoln, and has been named as librarian and attendant in the federal court there.

**Wilson S. Levens**, prominent Chicago independent adjuster, suffered a broken leg in a fall at his home and is confined to St. Luke's Hospital, Evanston, Ill.

**Howard W. Bailey**, who has resigned as state agent for Dubuque F. & M. in Wisconsin, will be associated with the Thorning agency in Milwaukee until his plans are completed. Mr. Bailey is well known in the state. He served as president of the Wisconsin Bureau Field Club for two years and for the past year has been chairman of the executive committee. He was born in Newark and attended Columbia University. He is a nephew of C. Weston Bailey, former board chairman of American. While still in high school he worked during vacation in insurance offices and then became resident manager in Wisconsin for the Lumber Mutuals. In 1922 he went with the agency of Auer, Inc., Milwaukee, as secretary and in 1930 went with Northwestern National as special agent traveling throughout the midwest. He has been with Dubuque F. & M. as Wisconsin state agent since 1937.

**George D. Van Wagenen**, prominent general agent of Minneapolis, entertained a group of about 35 agents at his resort, Eagle Nest Lodge on Lake Winnibigoshish near Deer River, Minn. This has become an annual event. The agents are entertained at the Lodge prior to the opening of the season and there are no other guests. One of the guests was Frank L. Ludington, western manager of Atlas and Albany. Mr. Van Wagenen is general agent for Albany.

**Morton T. Jones**, president of Kansas City Fire & Marine, and **L. E. Wilkins**, recently appointed comptroller of the company, were in Chicago visiting Manager Reid C. Cloon of the R. B. Jones & Sons agency branch.

**A. S. Frohman**, insurance chairman for the Red Cross blood plasma campaign in **Portland, Ore.**, reports that over 100 donors have already signed up and that the insurance groups will have well over 200 blood donors before another week.

A baby daughter, Mary Sarah, was born May 26 to Mr. and Mrs. **Bert A. Jochen** at Rockford, Ill. Mr. Jochen is western manager of American of New-ark. This is the Jochens' first child.

## DEATHS

### Veteran N. Y. Agent, Father of A. C. Wallace, Is Dead

**A. V. D. Wallace**, head of the A. V. D. Wallace and A. C. Wallace Agency of Goshen, N. Y., died there after an illness of five days. He had driven his car to the office, May 20, in apparently the best of spirits and health. He had an attack of dizziness before noon. Evidently there was an infection which brought on a stupor. His son, **A. C. Wallace**, is president of the New York Association of Local Agents.

The local agency of which the father later became the head was established in 1853 by **S. E. Horton**, a farmer, who had been appointed agent of the Home, Apr. 9, 1860. Mr. Horton sold stock for the company and some of those original shares are still held by the older families of the community. Later Mr. Horton took Eugene Horton, a brother, into partnership. Miss Margaret R. Horton succeeded her father in the firm and at the time of her marriage sold her interest to **W. E. Mapes** and **C. L. Mead**.

**A. V. D. Wallace** had to leave school at the age of 14 and took a job in a grocery store. In July, 1881, he secured a position in the factory of **Milligen & Higgins Gelatine Co.** at Manhattan. He returned to Goshen in 1882 and became a clerk in the agency of **Neafie, Terwilliger & Post**. The last named partner in the firm was the late **Charles H. Post**, for many years United States manager of the Caledonian, and father-in-law of **C. F. Shallcross**, United States manager of the North British & Mercantile.

In 1885, Mr. Wallace resigned from the agency and bought a grocery business. On June 1, 1889, he bought out the Horton and Mead interests in the insurance agency, the name being changed to **Mapes & Wallace**. On April 1, 1889, he bought out Mr. Mapes and continued the agency under his own name. The five leading companies in the agency at that time continued, they being the Aetna, Home, National Liberty, Commercial Union and Continental. **A. C. Wallace** joined the agency in 1913 after



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graduating from Williams College and was made a member of the firm in 1929. The business of the agency has expanded into all parts of the county.

**Benjamin E. Neff**, 29, Springfield, Ill., attorney, who was formerly connected with the Illinois insurance department in a legal and legislative capacity, died of a kidney ailment in University Hospital at Iowa City. From 1937 until 1942 he was legislative representative and legal counsel in the insurance department. He had been handling the filing of forms and doing other work for insurance companies, mainly casualty. Last year he opened a law office in Springfield. Prior to going with the insurance department he was with a law firm at Rock Island, Ill. He was a graduate of the University of Illinois law school.

**Mrs. Laura Martin**, wife of Porter Martin, veteran agent of Springfield, Mo., died suddenly there of a heart attack.

**Theodore M. Koelsch**, 43, sole owner of the Robbins & Koelsch agency of Quincy, Ill., died at St. Mary Hospital of a kidney ailment. He entered the insurance business in 1930 and at the time of his death was sole proprietor of the Robbins & Koelsch agency.

**Thomas E. Walker**, 72, office broker with the Moore, Case agency, Chicago, for more than 20 years, died in St. Luke's Hospital there following an operation. He was a brother of J. K. Walker, member of the agency.

**A. R. Ives**, 79, local agent at Delavan, Wis., for 30 years, died from a heart attack after several years of failing health.

**William H. Shaffer**, 89, head and founder of the Shaffer & Son agency, Canton, O., died there.

**Lieut. Norman F. Brown**, 26, was killed in a bomber crash at Monroe, La. His bride of five weeks, the former Sybil Hegler, is the daughter of Melville Hegler of the Western Factory Association, Chicago.

**Basil Burns, Jr.**, who was connected with Buffalo at the home office prior to the war, is reported to have been killed in action on May 1 in Africa.

**Carl Hunt**, 59, state agent in Texas of American of Newark, died at his home in Dallas, following a heart attack. He was a member of the governing committee of the Texas Inspection Bureau.

## IN U. S. WAR SERVICE

**Clay M. Murray**, son of R. W. Murray, a general adjuster for Fire Companies Adjustment Bureau at Tulsa, who has been in the Solomon Islands for some time, recently was promoted to major in the marines.

**H. M. Steele**, general agent of Royal Indemnity in Los Angeles, has entered the navy.

**T. E. Roberts**, marine special agent of Providence Washington in Los Angeles, has joined the navy.

Enrollment in the armed forces of men and women from Lumbermen's Mutual Casualty and other **Kemper**

companies now totals 440. Of this number, 27 are women, 36% are commissioned officers and an additional 30% have technical ratings.

**Charles O. Stoops**, Los Angeles, special agent of New Hampshire Fire, has been inducted into the army.

**R. H. Freeman**, president and manager of the Newton-Freeman agency, Ann Arbor, Mich., is now in the army.

**Wefel W. Warner**, formerly special agent of Merchants Mutual Bonding in Iowa, now is in the army and has been promoted from second to first lieutenant.

**William Niedecker**, special agent for Newhouse & Sayre in Illinois and Minnesota, reports to the army for service June 8. His associates in the Newhouse & Sayre office in Chicago gave him a party Tuesday evening.

**R. H. Griffith**, Pacific Coast manager Glens Falls group, has returned to San Francisco from La Junta, Colo., where he saw **R. H. Griffith, Jr.**, decorated with pilot's wings and lieutenant's bars of the Army air force. Lt. Griffith will pilot a heavy bomber.

**J. T. Rhudy**, president of Bradfield & Rhudy, Jacksonville, Fla., who has for the past year been stationed at Philadelphia with the rank of captain in the army signal corps, has been promoted to major.

**Capt. Raymond Williams**, formerly San Antonio claim manager of the Firemen's group, who has been stationed at the army air field at San Angelo, Tex., has been transferred to the field at Enid, Okla., recently opened.

**Don Wilson** of the marine department of Marsh & McLennan in Chicago is reporting for service in the navy.

Two special agents of **American of Newark** in Indiana are now in service, **Jerome B. Dirkers**, who formerly was with Western Factory Insurance Association, and **Richard C. Coryell**, formerly in the Detroit office.

## Convention Dates

June 3-4, Health & Accident Underwriters Conference, Chicago, Edgewater Beach Hotel.

June 6-8, National Association of Insurance Commissioners, Boston, Statler Hotel.

June 7, Kentucky field men, Louisville.

June 7-8, South Carolina Agents, Columbia, S. C., Columbia Hotel.

June 8, Ohio Fire Underwriters Association, Columbus.

June 8, Florida Association of Insurance Agents, Jacksonville, George Washington Hotel.

June 9, Minnesota Insurance Federation, St. Paul, St. Paul Hotel.

June 10, Tennessee Agents, Nashville, Hermitage Hotel.

June 10-11, National Association of Accident & Health Underwriters, Pittsburgh, Roosevelt Hotel.

June 11, Tennessee field men, Nashville.

June 17-18, Iowa Field Men, Des Moines, Hotel Commodore.

June 16, Connecticut agents mid-year meeting, Waterbury, Waterbury Country Club.

June 16-19, National Association of Insurance Women, Milwaukee, Hotel Schroeder.

June 22-23, Minnesota Field Men, Lake Minnetonka, Hotel Del Otero.

June 22, Wisconsin Field Men, Milwaukee, Ozaukee Country Club.

June 22-23, Michigan Field Men, Port Huron Mich., Gratiot Inn.

June 23, Illinois Field Club, LaSalle Hotel, Chicago.

June 22-23, Illinois Fire Underwriters Association, Chicago, Edgewater Beach Hotel.

June 22-24, Insurance Librarians, New York City, Hotel Pennsylvania.

June 28-30, International Association of Insurance Counsel, Chicago, Edgewater Beach Hotel.

June 29, Indiana Fire Underwriters Association, Indianapolis, Lake Shore Country Club.

Aug. 20, Oregon agents, Portland, Multnomah hotel.

Aug. 24-25, Insurance Section American Bar Association, Chicago, Drake Hotel.

Aug. 23-25, International Federation of Commercial Travelers Insurance Organizations, Colorado Springs, Broadmoor Hotel.

Aug. 27, Washington agents, Seattle, Olympic hotel.

Sept. 2-3, Minnesota agents, Minneapolis, Nicollet hotel.

Sept. 13-14, International Claim Association, Chicago, Edgewater Beach Hotel.

Sept. 17-19, American Association Independent Adjusters, Chicago.



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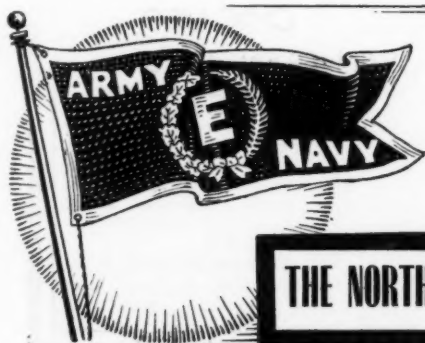
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LOS ANGELES



## Audits by Mail Experiment Is Well Received

### Departure Wins Approval of Assured and Agents; Saves Manpower

Companies that have started to conduct certain of their payroll audits by mail are enthusiastic about the results, not only in the way of manpower relief but also in the way of agency and policyholder relations. The company that is believed to have pioneered in this direction is auditing by mail all compensation risks that give an annual premium of \$100 or less, and all periodical audits, regardless of size or risk.

One branch office of this company got back almost immediately 75 of the first 100 forms that were sent out. Correspondence had to be carried on with the balance. It was discovered that some of the assured didn't bother to see what was wanted and threw the forms away, other assured were holding the communications for the attention of certain persons who were away and there were a number of other explanations. However, these situations were cleared up and it is anticipated that in future years the assured will recognize the request and respond without prodding.

### Assured Praise Procedure

Several assured, in responding, have written notes of praise for the procedure. Some have said that in the past payroll auditors have called on days when it was not convenient to work with them, they had taken up several hours and had called for a variety of records. These assured said it was a very simple matter to get the information that is called for in the form sent by mail and that the job can be done at a convenient time.

Many of the agents have also praised the scheme. It enables them to send to their assured statements for audit premiums promptly. In the normal course there is frequently a delay in making audits because it is not convenient or economical for an auditor to make a trip soon after the policy anniversary date. Agents sometimes complain because of this delay.

Here and there an agent has voiced objection on the ground that it constitutes direct dealing of the insurance company with the assured. Of course the visit of the payroll auditor is also a direct approach but some of the agents say that they like to have the auditor come to their offices first so that the agent can then call the assured and arrange for an appointment with the auditor.

The principal objective of conserving manpower has definitely been obtained by the mail audits. One of the companies that is following this procedure finds that its greatly reduced staff of auditors is able to take care of the work comfortably and are even available for chores in other departments of the company.

### Defeat Ohio Share-Ride Bill

COLUMBUS, O.—The Ohio house has defeated a bill passed by the senate which would provide that owners of cars used in the share-the-ride plan should

## Boiler Insurers Send Out Call for Mathematicians

Both home and branch offices of boiler writing companies are currently engaged in feverish mathematical tasks, since agents throughout the country have now come to the conclusion that the boiler and machinery rates have hit bottom, that there is even a danger that there may be a rate increase, and have instructed their companies to cancel and rewrite for a new three year term all boiler and machinery business. This has caught the companies at a time when they are shorthanded and some of them have called in special agents from the road to help out and are getting aid from such other departments as are not too far behind in their work. One result will be that there will be an enormous increase in boiler and machinery written premiums this year and perhaps the boiler business hereafter will show a big volume every third year and a dropping off in between.

### Premium Calculation Complicated

The calculation of premiums is highly complicated. The insurer not only takes into account the bureau manual but that of Hartford Steam Boiler and if there are exposures in New York or Louisiana in which states the new manuals have not been approved, the rates from the old manual must be applied to such exposures.

Underwriters run into some amazing situations. One underwriter, for instance, recalled that only a few months ago he had declined to write for an assured contents coverage for a premium of \$4,000 whereas the manual premium was \$6,500. The assured wanted contents coverage but was willing to pay no more than \$4,000. He had had a \$1,500 loss recently and felt the need for the coverage at a price satisfactory to himself. Now, under the bureau manual, contents coverage is given with no charge at all and this underwriter who a few months ago was trying to hold the line for the full manual premium is getting a severe ribbing from the assured.

## Award Chicago Standard Accident Merit Trophy

The Standard Accident branch office merit trophy was presented to V. H. Bartholomew, resident vice-president in charge of the Chicago office by Charles C. Bowen, president of the company, at a dinner in Chicago. J. P. Hacker, vice-president, and H. A. White, assistant secretary of the home office and C. L. Miller, manager of the Detroit branch, last year's winner, attended. The Chicago office's 70 employees were present at the dinner.

### Long Service Awards

Mr. White, president of the Standard Ten Year Club, presented service emblems to nine Chicago office personnel: A. S. Rennard, 25 year pin; Evelyn Wellner, 20 year; Frank J. Peradotte, Ann S. Bredemeier and Maurice J. Scheemecker, 15 year, and Mr. Bartholomew, Ann S. Edeman, Jeannetta Patterson and J. S. Smirz, 10 year.

not be liable for injuries to passengers. It was urged by government agencies on the ground that it would promote share-the-ride arrangements for war workers. The Ohio supreme court recently held that the present law does not exempt drivers even though the passengers share in the expense.

## April Auto Deaths Are Down 27% and 35% for Year

The percentage decrease in automobile fatalities continues to decline, the National Safety Council figures for April reveal. The fatalities in April, 1943 were 1,600 or a decline of 27% from the 2,190 of April, 1942. The decrease in March from the same month the previous year was 30%, decrease in February 35% and in January 44%. For the first four months the number of fatalities this year totaled 6,680 as compared with 10,250 for the parallel period of last year, the decline being 35%. The decline is 39% as compared with the first four months of 1941.

## Taxi Retrospective Plan Is Delayed in New York

NEW YORK—The June 1 effective date of the retrospective type of liability rating plan for taxicab fleets has been postponed by the New York department because of the drastic cut in taxi operations decreed by rationing authorities. The plan, with whatever revisions may be necessary, will probably go into effect some time in July after conferences have been held with the carriers writing statutory taxicab liability.

One object of the retrospective plan is to eliminate the present mileage basis. It calls for a \$45 a month premium plus a \$15 a month surcharge, both payable in advance. If a fleet's loss ratio runs less than 60% of the \$45 premium there would be a return of all the surcharge plus a percentage of the difference between actual losses and 60% of the \$45 monthly premium. The percentage is based on credibility, which varies with the size of the risk.

If the fleet's losses were higher than 60% of the \$45 premium then the excess would be charged against the \$15 surcharge and the balance, if any, of the surcharge would be returned to the insured.

### Example Is Given

For example, a fleet pays a \$30,000 basic premium plus a \$10,000 surcharge. Its losses are \$20,000, or \$2,000 in excess of the 60% figure, which would be \$18,000. This \$2,000 excess, called the surcharge premium, is loaded 10 percent for taxes, overhead expenses, etc. The \$2,200 figure would be subtracted from the \$10,000 surcharge and the company would return \$7,800 of the surcharge to the insured.

On the other hand, if losses ran less than the \$18,000 figure the company would return the entire \$10,000 surcharge and a percentage of the difference between \$18,000 and the actual losses.

Taxicab rates have been quite a problem, as it has not been unusual for losses to exceed 100% of premiums. The main cause seems to be the increased liberality of courts in cases involving taxis.

### Kill Minor Auto Suit Bill

MADISON, WIS.—The Wisconsin assembly has killed the bill which would have given minors the right to sue parents and their insurer for damages suffered in an automobile driven by the parent. Insurance interests opposed the measure because it would have applied only to automobile cases, would have disturbed the settled law of this state and because no other state in the union has such a law.

## Boiler Battle Rages with Little Hope of Peace

### Bureau Answer to Non- Bureau Criticism in New York Analyzed

NEW YORK—Despite conferences and submissions of memoranda in support of their respective positions, the two groups of boiler insurers are still far apart on so many important points that there seems to be little chance of their compromising on a common manual for New York and it looks as if the New York department will have to make the decisions as to which views of the opposing camps shall be included in the manual for this state.

Following submission by the non-bureau group of a memorandum May 7 the National Bureau of Casualty & Surety Underwriters submitted a 14-page memorandum championing the features of the bureau's proposed New York manual which the non-bureau memorandum criticized. It is understood that the non-bureau group has filed another memorandum in support of its position.

The National Bureau memorandum shows up sharply the difference in approach to the boiler and machinery rating problem between the bureau companies on the one hand and the non-bureau group.

### Principal Disputed Points

Aside from the question of rates, which the non-bureau companies contend are too low in the bureau manual, the principal moot points deal mainly with simplifications and broadening of classifications, the non-bureau memorandum contending that the bureau's lumping of certain risks discriminates unfairly against the insured who does not want all these coverages or else gives the insured with a high hazard the benefit of too favorable a classification in some cases.

Answering the non-bureau criticism of including malicious mischief, personal injury liability, expediting, contents and automatic coverages in the basic coverage at no increase in the basic rates, the bureau memorandum points to the trend toward constant liberalization due to experience showing that the additional charge for eliminating a restriction is insignificant, to wide-spread demand of insured for broadening of coverage or to recognition that it is in the interest of public policy to broaden the coverage and states that all three of these factors apply to these five coverages.

### Too Many Optional Covers

The bureau states that, because there have been so many optional coverages at additional charges in general, agents have not bothered to discuss all these coverages and that an assured having an accident coming under an optional coverage which he has not purchased because of lack of solicitation is dissatisfied. Inclusion of each of these five coverages will eliminate an important source of friction with assured.

Regarding malicious mischief, it is very difficult to prove that a loss is not covered by reason of being due to malicious mischief and the attempt to do so inevitably leads to argument with the assured. There have been very few

(CONTINUED ON PAGE 20)

## Country-wide Experience on Workmen's Compensation in 1942 Is Presented

The New York insurance department released this week its annual exhibit of workmen's compensation results, based upon casualty experience exhibits filed by insurers licensed in New York.

The earned premiums of stock companies last year amounted to \$206,454,773, excluding the premiums of reinsurance companies which in previous years were incorporated in the stock group and which last year had earned premiums of \$3,868,820. In 1941 the earned premiums were \$164,601,215. The stock company loss ratio was 59.7 excluding federal income tax, the expense ratio was 37.5 and there was a net gain of 2.8. Subtracting the federal income tax of 1.1 the net gain is reduced to 1.7.

### Mutual Companies

Mutual company premiums increased to \$138,139,974, from \$104,150,377, the loss ratio being 56.5, expense ratio 22.1, net gain 21.4 and federal income tax .8. The State Fund had premiums of \$24,223,897, loss ratio 79.9, expense ratio 17.6, net gain 2.5 and it had no tax to pay.

The incurred losses are based upon case estimate reserves. Expense ratios have been adjusted to exclude federal income taxes.

The New York department calls attention to the fact that when a substantial volume of premium is written under various retrospective rating plans or graduated premium discount plans or their equivalent, the loss ratios thereunder would be expected to exceed the standard 60% permissible and the expense ratios would be lower than contemplated under the normal standard manual premium basis.

### Effect of Ill. Bill That Would Change Taxing of Interstate Risk Premiums

The bill introduced the other day in the Illinois senate by the insurance department to amend the premium tax law to require insurers to pay a premium tax on interstate business in Illinois at a rate estimated as if the Illinois portion of the interstate risk were located wholly within the state appears to be aimed at correcting the situation disclosed in the interstate rating study made by former Superintendent Pink of New York two years ago. That study revealed that on interstate risks an assured might be paying 25 cents per \$100 of payroll in Illinois for workmen's compensation and \$1.50 per \$100 of payroll on risks in New York. There is thus a smaller premium tax for Illinois.

### Seeking National Solution

The question arises whether this situation might not be solved more satisfactorily on a national basis rather than by the states individually. The commissioners and insurers both have been working on the problem. It is suggested that what may seem to be an inequality in premium taxation actually reflects favorable insurance treatment of Illinois assured or the Illinois business of assured which represents an encouragement to Illinois industry and business.

The means outlined in the Illinois bill for meeting the situation might conceivably lead to passage of similar amendments to the premium or privilege tax laws of other states which would hardly afford a satisfactory solution to the problem.

The companies would be faced with the task of rating all interstate risks in Illinois on an individual basis in order to determine what the tax liability under the bill would be. This would involve a great deal of extra work and of course would add to the expense of this type of coverage. Another point is that the companies would be paying a tax on some premiums that they had not received. The amendment would affect fire as well as casualty covers.

### STOCK COMPANIES

	Premiums earned (Countrywide)	Loss	Underwriting Ratios (Countrywide)	Expense (ex. Fed. inc. tax)	Net Gain (ex. Fed. inc. tax)	Fed. inc. tax	Claim adjust. ment	Analysis of Incurred Expense Ratios (Countrywide)	Acquisition and field super-vision	General adminis-tration	Inspection and bureau	Taxes and fees
Accident & Cas.	413,482	66.1		60.1	-26.2	...	11.1	25.4	14.8	3.6	5.2	
Aetna Cas.	17,111,945	66.6		38.6	-5.2	...	8.7	13.9	9.7	2.7	3.6	
Aetna Life	4,805											
Am. Auto	229,500	91.4	115.0	-106.4	15.7	...	18.1	67.4	23.4	2.0	4.1	
Am. Employers'	3,700,407	69.9	38.5	-8.4	-2	...	7.6	17.6	8.6	1.8	2.9	
Am. Guar. & Liab.	187,143	57.4	36.5	6.1	.9	...	6.0	13.8	8.0	2.0	6.7	
Am. Motorists	4,423,122	53.3	21.2	25.5	.6	...	6.5	6.5	4.4	1.9	1.9	
Am. Policyholders	44,270	95.3	6.0	-1.3	1.0	...	15.3	-49.2	29.8	7.0	3.1	
Am. Surety	2,186,419	85.8	33.9	-19.7	...	...	7.9	11.7	7.6	1.3	5.4	
Arex Indem.	148,087	57.0	34.1	8.9	-5	...	10.0	9.2	8.5	2.3	4.1	
Associated Ind.	5,404,749	55.4	25.9	9.7	4.5	...	5.5	11.6	4.0	1.6	3.2	
Bankers Indem.	1,499,819	46.0	49.1	4.9	...	...	13.9	16.3	13.8	2.1	3.0	
Car & General	619,975	49.9	43.5	6.6	...	...	9.1	19.9	9.1	2.0	3.4	
Central Sur.	2,741,014	65.7	34.3	...	...	...	8.6	16.4	5.2	1.3	2.8	
Century Indem.	2,062,618	55.0	47.3	-2.3	...	...	10.6	20.9	9.5	3.3	3.0	
Columbia Cas.	1,107,735	45.7	47.3	7.0	...	...	9.3	16.3	16.7	1.5	3.5	
Commercial Cas.	369,812	50.2	55.5	-5.7	...	...	18.7	17.6	13.9	1.6	3.7	
Connecticut Ind.	75,669	57.5	35.1	7.4	2.7	...	3.7	20.2	6.2	1.7	3.3	
Continental Cas.	4,595,710	52.8	40.6	6.6	...	...	10.0	17.2	8.7	1.6	3.1	
Eagle Indem.	1,295,771	58.6	41.0	4	...	...	8.2	17.6	8.8	2.2	4.2	
Employers' Liab.	10,506,565	58.7	40.1	1.2	...	...	7.7	18.9	8.1	1.8	3.6	
Fidelity & Cas.	10,829,041	69.6	37.5	-7.1	...	...	8.2	17.2	5.9	1.9	4.3	
Fireman's Fund Ind.	3,520,691	68.1	38.5	-6.6	...	...	14.1	12.2	7.1	1.2	3.9	
Gen. Acc.	4,804,629	52.5	35.9	11.6	5.8	...	8.8	16.4	5.9	1.6	3.2	
General Cas. Seattle	354,780	73.2	35.1	10.2	7.0	...	7.5	10.7	7.0	2.6	3.3	
General Trans.	225,268	56.0	34.2	9.8	...	...	10.2	8.8	6.9	4.7	3.4	
Glens Falls Ind.	1,849,114	55.8	48.1	-3.9	...	...	9.5	22.4	10.1	1.6	4.5	
Globe Indem.	5,299,335	52.2	35.5	12.3	5.0	...	7.7	16.3	6.4	1.8	3.3	
Great Am. Ind.	2,933,576	51.8	46.5	1.7	...	...	11.0	16.3	13.7	1.8	3.7	
Hardware Indem.	43,704	45.9	-64.6	118.7	5.3	...	18.7	-149.6	48.0	2.5	15.8	
Hartford Acc.	15,933,420	57.3	38.4	4.3	...	...	8.5	15.6	8.5	2.1	3.7	
Home Indem.	2,693	...	...	...	...	...	...	...	...	...	...	
Indem. of N. A.	3,474,499	57.9	37.6	4.5	2.3	...	7.9	15.8	7.9	2.0	4.0	
London Guar.	2,856,770	49.6	44.6	5.8	...	...	8.9	16.7	13.5	2.0	3.5	
London & Lanc. Ind.	538,615	47.8	52.6	...	...	...	13.6	18.4	14.7	2.4	3.5	
Manufacturers' Cas.	1,596,368	40.4	36.6	23.0	...	...	7.8	12.9	10.8	1.5	3.6	
Maryland Cas.	9,592,903	59.0	38.1	2.9	...	...	7.2	17.9	7.1	2.3	3.6	
Mass. Bonding	3,780,548	57.9	39.9	2.2	...	...	8.7	19.1	8.6	1.6	1.9	
Merchants Ind.	15,038	58.7	31.0	10.3	10.7	...	6.0	11.5	12.0	...	1.5	
Metropolitan Cas.	329,049	79.5	59.8	-39.3	...	...	21.2	17.7	14.9	3.0	3.0	
National Cas.	291,158	61.6	40.7	-2.3	...	...	11.1	18.2	6.8	1.7	2.9	
New Amsterdam Cas.	4,628,581	56.9	43.0	...	...	...	10.0	18.4	9.9	1.5	3.2	
New Eng. Cas.	35,111	34.0	50.0	16.0	...	...	10.7	20.4	12.9	2.0	4.0	
New York Cas.	673,236	60.0	43.7	-3.7	...	...	11.2	17.9	8.4	2.1	4.1	
Norwich Union Ind.	49,124	88.5	55.8	-44.3	...	...	12.2	20.8	16.0	3.0	3.8	
Occidental Ind.	1,337,976	73.2	26.0	...	...	...	10.0	9.5	4.1	2.8	2.2	
Ocean Acc.	2,574,980	45.7	46.9	7.4	...	...	10.0	17.8	14.1	1.6	4.3	
Peerless Cas.	69,165	31.3	38.3	30.4	...	...	...	22.6	11.3	...	...	
Phoenix Ind.	1,214,843	52.5	42.3	5.2	2.0	...	7.8	18.8	10.3	1.6	3.8	
Preferred Acc.	69,791	50.9	70.4	-21.3	...	...	11.9	28.9	20.7	5.1	3.8	
Protective Ind.	523	39.8	144.3	-84.1	...	...	2.9	86.4	8.0	37.1	9.9	
Royal Ind.	6,433,110	50.0	36.3	13.7	6.2	...	7.9	15.5	8.2	1.8	2.9	
St. Paul Merc. Ind.	1,367,880	53.7	39.4	6.9	5.1	...	9.7	15.8	8.6	1.8	3.5	
Seaboard Surety	11,657	37.0	-60.8	123.8	27.1	...	-82.3	11.0	...	...	10.4	
Standard Acc.	6,428,059	55.2	37.2	7.6	4.0	...	7.3	18.3	6.2	1.9	3.5	
Standard Sur. & Cas.	619,446	51.1	43.3	5.6	...	...	1.9	27.4	7.9	2.5	3.6	
Swan Ind.	719,094	40.4	44.2	5.0	...	...	11.8	18.0	7.9	1.7	3.5	
Travelers Ind.	2,768,862	62.3	31.9	8.0	2.9	...	5.6	14.0	7.3	2.1	2.9	
Travelers Ind.	29,734,010	61.0	31.0	5.0	1.0	...	6.0	12.5	6.3	2.5	3.7	
United States Cas.	2,719,496	56.8	46.1	-2.9	...	...	11.8	18.2	9.2	2.4	4.5	
U. S. F. & G.	12,359,666	65.5	37.8	-3.3	...	...	8.1	15.7	8.9	1.5	3.6	
U. S. Guar.	73,058	-14.7	59.9	54.8	...	...	32.0	14.1	8.8	1.1	3.9	
Zurich	5,567,289	67.7	45.2	-12.9	...	...	11.3	16.8	10.1	3.4	3.6	
1933 Total Stock Cos.	83,921,000	73.3	47.2	-20.5	...	...	12.3	18.0	11.3	3.3	2.2	
1934 Total Stock Cos.	98,010,000	62.2	42.5	-4.7	...	...	10.0	18.0	9.8	2.4	2.3	
1935 Total Stock Cos.	107,070,000	60.4	42.2	-2.6	...	...	9.6	17.8	9.3	2.4	3.1	
1936 Total Stock Cos.	122,062,000	58.3	40.7	1.0	...	...	8.9	17.5	8.8	2.3	3.2	
1937 Total Stock Cos.	141,773,000	52.8	40.4	6.8	...	...	8.4	17.8	8.5	2.3	3.9	
1938 Total Stock Cos.	134,679,000	49.8	42.8	6.5	...	...	9.0	17.6	9.4	2.4	3.5	
1939 Total Stock Cos.	132,404,000	54.6	42.2	3.2	...	...	9.2	17.7	9.4	2.6	3.3	
1940 Total Stock Cos.	134,567,041	55.8	42.7	1.5	...	...	9.4	17.9	9.5	2.6	3.3	
1941 Total Stock Cos.	164,601,215	56.7	40.8	2.5	...	...	8.7	17.5	8.9	2.3	3.4	
1942 Total Stock Cos.	206,454,773	59.7	37.5	2.8	1.1	...	8.2	15.6	8.1	2.1	3.5	

### MUTUAL COMPANIES

MUTUAL COMPANIES											
Am. Mut. Liab.....	\$ 27,239,253	54.6	24.1	21.3	...	7.6	3.7	7.5	2.0	3.3	
Bakers Mutual.....	637,729	46.8	26.9	26.3	3.4	5.2	7.3	9.2	2.5	2.7	
Butch. Mut. Cas.....	1,068,876	40.6	30.3	29.1	...	7.1	8.6	8.7	3.1	2.8	
Coal Merch. Mut.....	473,724	45.7	24.7	29.6	...	6.3	6.1	6.3	1.4	3.0	
Electric Mut. Liab.....	523,605	39.8	8.4	51.8	...	6.6	...	6	...	1.2	
Empl. Mut. Liab.....	20,221,989	49.5	22.1	28.4	1.0	6.3	5.9	3.2	4.6	2.1	
Exch. Mut. Ind.....	592,793	50.9	31.7	17.4	...	5.1	24.3	...	...	1.8	
Hardware Mut. Cas.....	3,699,603	51.6	26.9	21.5	...	8.0	7.9	6.7	1.9	2.4	
Hudson-Mohawk.....	544,154	40.2	26.5	33.3	...	9.4	3.4	7.5	3.0	3.2	
Interboro Mut.....	1,551,045	70.6	22.4	7.0	...	8.9	2.5	6.3	2.0	2.7	
Jamestown Mut.....	1,308,020	51.5	31.1	17.4	...	11.1	6.6	8.7	1.8	2.9	
Liberty Mut.....	52,664,135	64.8	18.8	16.4	...	6.4	3.0	3.9	2.7	2.8	
Lumb. Mut. Cas., N. Y.....	1,775,022	46.4	29.9	23.7	...	8.1	6.5	9.6	2.5	3.2	
Lumb. Mut. Cas., Ill.....	13,959,727	48.7	24.8	26.5	...	7.3	8.0	5.9	1.8	1.8	
Merch. Mut. Cas.....	577,123	52.0	39.9	8.1	...	13.5	7.9	7.9	1.7	3.8	
Mutual Cas.....	208,478	57.1	38.4	4.5	...	5.0	7.8	20.1	...	...	
N. Y. Pr. & Book.....	416,546	67.2	20.9	11.9	1.1	7.1	3.5	6.3	1.3	2.7	
Penna Thresh.....	2,242,469	49.5	28.7	21.8	1.4	5.9	11.3	9.4	1.0	1.1	
Public Service Mut.....	859,380	64.6	40.6	-5.2	1.0	10.9	14.0	10.9	...	...	
Security Mut. Cas.....	1,924,169	50.5	15.2	34.3	3.9	7.4	2.5	2.7	...	...	
Utica Mutual.....	4,839,704	47.3	22.9	29.8	...	7.6	3.0	7.1	2.4	2.8	
Utilities Mut.....	812,430	47.1	20.2	32.7	6.2	9.6	...	4.9	3.5	2.2	
1933 Total Mutuals.....	\$ 23,722,000	63.7	27.4	8.9	...	10.4	5.4	6.7	3.6	1.3	
1934 Total Mutuals.....	34,423,000	61.3	23.0	15.7	...	8.1	4.7	5.5	2.9	1.8	
1935 Total Mutuals.....	43,882,000	57.7	22.7	19.6	...	7.4	4.6	5.7	2.6	2.4	
1936 Total Mutuals.....	54,711,000	58.1	21.7	20.1	...	7.1	4.3	5.8	2.5	2.0	
1937 Total Mutuals.....	70,297,000	54.3	21.3	24.4	...	6.5	4.2	5.7	2.5	2.0	
1938 Total Mutuals.....	74,292,000	53.0	23.1	23.9	...	7.1	5.3	5.3	3.0	2.4	
1939 Total Mutuals.....	75,825,000	54.0	23.7	22.3	...	7.2	5.3	5.8	3.0	2.4	
1940 Total Mutuals.....	82,488,852	55.3	23.6	21.1	...	6.9	5.4	6.0	3.0	2.3	
1941 Total Mutuals.....	104,150,377	59.2	23.1	17.7	...	7.1	4.9	5.9	2.8	2.4	
1942 Total Mutuals.....	138,139,974	56.5	22.1	21.4	...	7.0	4.7	5.2	2.6	2.6	



## C. J. Haugh Tells Buyers of New Compensation Plan

**Predicts Risks Close to \$1,000 Mark Will Select Guaranteed Cost**

NEW YORK—Risks close to the \$1,000 annual minimum premium limit under the proposed new compensation program would be more likely to select the guaranteed cost discount plan and not one of the retrospective plans for fear of their potential gains being more than offset by a single bad accident, C. J. Haugh, actuary National Bureau of Casualty & Surety Underwriters, told a Risk Research Institute meeting. He described how the proposed new stock company program would work for various size risks and explained the four elective plans under the program.

Mr. Haugh said that he hopes for early adoption of the program by the various states, but it naturally would be some time before they would all act. In the National Council on Compensation Insurance, it will either be adopted or go to a tie vote. Should the vote be tied, it goes to C. W. Hobbs, special representative of the National Association of Insurance Commissioners on the National council. In New York state, the state fund holds the balance of power on the Compensation Rating Board, if it should be disapproved by the mutual members. Its principles have already been adopted in New York. He pointed out that Pennsylvania and Delaware have different ratings and classifications than the rest of the United States and the plan had not been filed in those states.

There is no provision in the program, he stated, to level out the hills and valleys as loss experience develops by combining several years' experience which would tend to be the result if a longer policy period were used such as three or five years. Experience rating is continued without change, he said, the proposed program being superimposed on it.

### Accident Prevention Incentive

The new graded expense plan goes a long way to solve the interstate rating problem. It would be particularly desirable for large companies having plants in various parts of the country. It enables a carrier to develop a premium in a regulated state commensurate with the actual experience in that state. It would give added incentive to install more intensive accident prevention programs.

W. J. H. Crosson, Central Hanover Bank, was appointed treasurer of the institute succeeding W. H. Palmer, who has left the city. R. D. Guernsey, Frederick Loeser & Co., president, stated that the annual meeting will be held June 24 instead of in September and new officers and directors will be elected at that time. George Daniels, Continental Grain Company, was made a director to fill a vacancy. George Rogers, Robert Gair Company, was appointed chairman of the nominating committee.

Mr. Haugh efficiently pinch hit for F. S. Perryman, secretary of the Royal-Liverpool casualty companies, who could not speak because of illness.

### Appoints Advertising Agency

Standard Accident has named MacManus, John & Adams, Inc., Detroit, as advertising counsel. The agency will

## Successful System for Converting to Feminine Level

Cameron H. Sanders of Cincinnati, manager of the Ohio department office of American Automobile, has been successful in converting the underwriting



C. H. SANDERS

operations very largely to a feminine level. Thirty-seven of the 80 employees are in the armed services and most of the desks have been taken over by young women. Prior to the war Mr. Sanders had a training program for young men employees and he has now adapted this training procedure to young women. Regular meetings are held in the various departments. Problems are discussed, errors examined and steps taken to reduce errors. The objective is to invest the girls with the necessary information and to give them confidence. The first step in the training consists of a demonstration of the everyday routine of handling the work. Then there is an explanation of coverages together with the reasons for various procedures.

The girls are trained to look for production possibilities as they handle the day's grist. Later senior women underwriters are sent to the home office for a course in underwriting.

### Accept Personal Liability Cover

The comprehensive personal liability coverage which many of the companies are now offering has been favorably accepted by the public. Some of the insurance people believe the coverage is doing such a good job for assured that it will build much good will for the business. While no new coverages are involved, it is a new way of putting the product up to assured in one package. The idea of comprehensive personal liability will appeal so much to the business man, it is believed, that sale of comprehensive liability for businesses and industries will be stimulated.

### New Comprehensive Form

SAN FRANCISCO—Associated Indemnity has announced a new comprehensive personal liability policy. It includes automobile medical payments, including or excluding the named insured and contains certain automatic coverages for members of the insured's family. It also contains provisions for non-ownership coverage for the holder.

### Ballew to San Antonio

H. W. Ballew has been transferred from Fort Worth to San Antonio as manager of the Hooper-Holmes Bureau, succeeding Claude Phillips, who has been appointed manager in Dallas.

place initial advertising for the firm in July publications.

## Abnormal War Conditions Add A. & H. Underwriting Problems

NEW YORK—Abnormal conditions brought about by the war and the underwriting problems they present were the main topics discussed in the underwriting forum which L. B. Soper, assistant secretary of Connecticut General Life, conducted at the meeting of the Bureau of Personal Accident & Health Underwriters. R. A. Payne, Travelers, discussed the changes in occupation and dual occupations which have been brought about by the shortage of man-power, curtailment of many "non-essential" businesses and the opportunity for increased earnings. In answer to the question whether any modification in manual classifications should be made because, due to wartime conditions, the hazard in a certain occupation is greater or less than that normally associated with the occupation, he said that in his opinion no changes should be made because the classifications contain an element of averages. For instance, where an applicant is working 12 to 20 hours a week in a war industry in addition to his regular occupation, he should be insured at the regular rate for his basic occupation and if any injury is sustained it can be paid for on the pro rata basis under standard provision 1.

The question of old policyholders who change their occupations or take on additional ones was discussed by Paul H. Rogers, Aetna Life. He pointed out that it would be too great a disturbance to the business to attempt to rewrite all such policies and suggested that while the companies should not let down the bars on underwriting, they should not be too severe on present policyholders.

Lee M. Willson, Century Indemnity, presented the question: Would it be desirable to modify the rule followed by most companies not to sell weekly indemnity policies to risks under 16 years of age? He said he thought it would be unwise, in spite of the fact that many boys and girls are now employed. Generally speaking, children of that age are still under the care of their parents, who are responsible for them financially as well as other ways. It was conceded that there should not be any liberalization of the underwriting rules regarding women because many who are gainfully employed now may be married and become housewives in a year or two.

The effect of civil defense activities on claim experience has been insignificant, Ray L. Hills, Great American Indemnity reported. He said claims have been rare so far and do not present a problem to the companies at the present time.

W. E. Kipp, Indemnity of North America, brought up the subject of health insurance. He said the companies have not done very much about it in the last 10 years and suggested a study of the problem. He said that "health insurance has been bought from, not sold by the insurance companies." It has been a family skeleton for so long that companies hesitate to bring it into the open, but he said that it would be a lucrative field if it could be put on the right basis. A discussion of the question brought out the general feeling that rates are too high for the general public and the forms too broad for the companies to write profitably.

The discussion of weekly indemnity was led by F. L. Templeman, Maryland Casualty, and B. L. Sichelstiel, Reliance Life. Mr. Templeman held that no consideration should be given that part of a person's earnings which is due to "overtime" work because the "overtime" is not a continual performance, due to shut-downs and the varying need of additional work. In answer to the question: "To what extent does the increase in income tax rates affect the 80% rule?" Mr. Sichelstiel said it should not be changed because an individual's ability

to pay his income tax proves his insurability. He said in regard to seasonal workers that their average earnings should govern the payment of weekly indemnity but that these cases require individual handling.

John F. Lydon, Ocean Accident, led the discussion on the sickness expense policy. He expressed the opinion that maximum daily benefits for nurse and hospital should be \$7. This coverage should not be sold to risks under 14 because experience has not been broad enough yet to write this coverage for younger children between ages 5 and 11, who go through all the childhood diseases.

Other participants in the forum discussions were W. W. Cole, General American Life; Stephen McLaughlin, Massachusetts Bonding; Neil J. Brown, Hartford Accident, and John P. Bennett, U. S. Casualty.

Harry Prevost, U. S. F. & G., was reelected chairman of the governing committee. Membership of all committees remains the same for the next year.

W. F. White, Mutual Benefit Life, formerly of the Royal, Globe and Eagle Indemnity, whose unexpired term as chairman was filled by Mr. Prevost the past year, attended the two-day session.

## Caminetti Starts Hearings in Compensation Probe

LOS ANGELES—Commissioner Caminetti Tuesday began hearings in the compensation insurance investigation he started a year and a half ago. Pacific Employers was the first one called to testify with Barker Brothers, as the employer whose payroll is in question.

At the outset Mr. Caminetti said that approximately 55 of the 75 companies writing compensation will be called in for investigation. He declared in a prepared statement read as the hearing opened that his auditors found practices "to escape the minimum rates and to circumvent the rules and regulations" including "concealment of payrolls; unintentional and in some instances wilful misclassification of risk; acceptance of payrolls from assured without check or verification; agreements to write compensation and other lines by discounts by writing the compensation at correct rates but effecting the overall discount on the other lines alone; substitution of fictitious loss ratios; failure to report medical contributions properly; discounting of physicians bills."

Harold H. Webber, senior payroll auditor for the department, was the first witness. He testified the test audit showed Barker Bros. payroll for the year in question was \$3,142,829 and that the firm had reported to Pacific Employers a payroll of \$3,054,923. He testified the bonuses paid and the remuneration paid temporary employees, both not reported to the carrier, might account for the difference.

Edgar B. Lewis, controller of Barker Bros., and Mrs. Holmquist, assistant manager of the payroll department, were the two other witnesses of the day, testifying to the bookkeeping system of the firm insofar as it related to reporting compensation, social security and unemployment figures to the insurer, state and country.

A. K. Layden, superintendent of the burglary and plate glass department at the head office of Zurich, and Claire Ilgner of Chicago were married May 22 by the Rev. Preston Bradley. There was a reception at the Edgewater Beach Hotel.

## Michigan to Study Compensation Rates

### Seek Basis on Which to Determine Equitable Standards

LANSING MICH. — Commissioner Forbes of Michigan, at the specific authorization of Governor Kelly, is arranging for a departmental study of workmen's compensation rates to assure that the schedules promulgated by the National Council are equitable.

Richard Atwell of Grand Rapids, an experienced accountant, is being employed to undertake the investigation. He is being placed on the department staff in the new civil service classification of compensation rating engineer.

Mr. Atwell has never had insurance connections and never personally has been an employer so that he will enter the rate inquiry entirely without bias, Commissioner Forbes said.

His principal duty will be to make an unbiased survey of the rating structure and experience tables upon which it is based.

The commissioner explained that the prospective investigation is entirely unpolitical in character and is being undertaken because the department feels responsibility to the insuring public for maintenance of rates at as low a level as are actuarially safe for the carriers because the department, about a decade ago, instigated a uniform rating system for this state although lacking specific rate control.

### No Basis for Checking Rates

It was recently announced that compensation rates would be advanced an average of 22.4% as of Aug. 1 to care for additional hazards imposed under a liberalized law adopted at the recent legislative session. This increase was agreed upon at a meeting in the National Council offices in New York of the Michigan regional committee attended by the commissioner and also by William Bishop, manager state accident fund. The commissioner said that while the increase seemed justified on the basis of increased risk and an increase in compensation benefits both in amount and duration it was obvious that the department had no present method of checking on the council's rate-making and could only take the word of this company-operated statistical organization that the higher rates were necessary.

Governor Kelly pointed out that reports filed with the department disclose that the carriers collected \$20,903,000 in compensation premiums in Michigan in 1942 while paying out only \$7,646,000 in benefits. Conceding that the benefits paid during the year did not necessarily

reflect the whole obligation of the carriers because of the continuance of compensation payments over long periods, nevertheless there appeared too wide a disparity, indicating possible excessive profits, he held. He agreed with the commissioner, however, that it would be most unwise to seek to force rate reductions without adequate study of the situation as such a move might easily result in weakening some carriers to such a point that they might not be able to fulfill their future obligations, thus possibly depriving injured workmen or their dependents of their rightful benefits in cases where the employer was no longer in business or able to meet the obligation.

Both the governor and Commissioner Forbes questioned the failure of the carriers to take into consideration increased rates of pay for overtime work in basing premiums entirely on total payrolls.

"Under this theory," said the commissioner, "the employer actually pays a much higher compensation rate for Sunday or holiday work or other overtime periods because the worker is being paid a higher wage scale and the compensation carrier collects premiums on a percentage of the worker's pay. But actually it cannot be shown that any increase in risk attends overtime work."

## Ohio Responsibility Law Strengthened, Goes to Governor

COLUMBUS, O.—Governor Bricker is expected to sign the revised Ohio financial responsibility law, which passed the senate unanimously this week. It provides that a motorist who fails to pay a judgment arising out of an automobile accident loses his driver's license for five years, unless he pays the judgment during that time.

The new law, if signed, will put Ohio in the same class with most states having financial responsibility laws, except the six which have legislation of the more stringent New York-New Hampshire type. The present Ohio law provides that a motorist who fails to pay a judgment or is convicted of various specified offenses may not drive unless he posts proof of financial responsibility for future accidents for one year, but does not require that the judgment be satisfied. The new law also increases the period during which proof of responsibility after a conviction must be maintained to three years.

### E. C. Covers Smoke Bomb Loss

Damage caused by a smoke bomb

falling from an army airplane crashing through the home of Vice-president W. A. White of Pacific National Fire, San Francisco, is covered under the extended coverage endorsement rather than by war damage insurance, in the opinion of Pacific National, the Fire Companies Adjustment Bureau and the Pacific Coast WDC representative. However, if the plane had been on patrol or engaged in repelling enemy attack or if the bomb had fallen from an enemy aircraft the WDC policy would have covered the loss, according to the company and the adjustment bureau.

### Alder with Pioneer Mutual

Pioneer Mutual Casualty Company of Columbus, O., has appointed Jack Alder as special agent. He was previously connected with the state highway department of Ohio.

### A. & H. Exam Bill Passed

The Ohio bill providing for a separate examination for agents writing accident and health insurance only has passed both houses of the legislature, with some minor amendments which were acceptable to the accident and health people.

The "A B Cs of Wartime Driving" helps sell auto insurance. Write National Underwriter for samples.

## Protection for Young America



Young America is exposed to accidents in almost every activity of youth, and when accidents happen, the parents' pocketbook naturally must stand the consequences.

A new accident policy issued by Standard of Detroit guards children from 5 to 17 against accidents of any kind. It pays medical expenses—doctors', hospital, and nurses' bills—and provides lump sum payments for accidents with

more serious consequences. Similar coverage is available to women in almost every occupation, including housewives.

A Standard field man will be glad to give you full details on Standard's many types of accident and sickness policies—as well as on the valuable new wartime production assistance available on this and other "miscellaneous" casualty and bonding lines.

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Multiple line insurance engineer by a leading casualty company. Boiler experience preferred. Chicago territory. State ago, experience and draft status. Address R-93, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

### WANTED CASUALTY UNDERWRITER

Splendid opportunity for experienced casualty underwriter in an established Chicago agency. Must be draft exempt. In reply, give full particulars. Address R-94, care The National Underwriter Co., 175 W. Jackson Blvd., Chicago, Ill.

### SUPERVISOR WANTED

In Tabulating Department for Los Angeles Casualty Insurance Company Home Office. Must be able to organize department and maintain even flow of work to machines. Give full details of experience and draft status. All replies confidential. Salary open. Address R-97, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.





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## ACCIDENT AND HEALTH

### Occidental Life Chicago Gathering

Occidental Life this week completed the seventh of a series of regional meetings with managers and certain agents to introduce to the field the company's unusual program for writing pension trust business in the life insurance field and its new line of accident and health policies. The meeting in Chicago Tuesday, Wednesday and Thursday was attended by a group of about 40 from Pennsylvania, Ohio, Indiana, Michigan and Illinois. From the head office there were C. H. Tookey, actuary; Ray Belknap, director of agencies; A. D. Anderson, superintendent accident and health department, and Lester Roscoe, director of field training. Vice-president V. H. Jenkins was also able to appear at the opening session as he was in Chicago on his way to make a Canadian trip.

Next Monday and Tuesday there will be a similar gathering in Minneapolis to be conducted by Mr. Roscoe, E. H. Ferguson, divisional manager at Chicago, and George V. Shipley, home office representative in the middle west. Mr. Anderson and J. Dandy, assistant actuary, will conduct meetings at New Orleans, Houston and Dallas.

### Associated Hospital Service Extends Its Benefits

NEW YORK—The extension of benefits without additional rates to include operating room, x-ray and laboratory examinations is announced by Associated Hospital Service of New York. The new benefits as outlined by President Louis H. Pink include:

Use of the operating room and x-ray

and laboratory examinations during the first 21 days without the former limitations of a maximum of \$25 each allowed for the use of the operating room and x-ray examinations and not more than \$20 for laboratory examinations. The subscriber who requires these services after 21 days may now receive a discount of 50% on such items during an additional period of 90 days.

All plaster casts instead of only those of a minor nature are now included as well as use of the cystoscopic room and cardiographic and physiotherapeutic equipment, basal metabolism tests and more drugs.

Patients occupying private room accommodations will receive a substantial increase in the daily credit allowance provided for service in such accommodations. Likewise, subscribers who require service anywhere outside the area in which the plan operates will receive an increased daily allowance toward the cost of their hospital services.

### Harper to California Agencies

Norman Harper has been appointed superintendent of the group accident and health and life department of California Agencies, Inc., general agents of Continental Casualty and Continental Assurance for all of California. He will have his headquarters in the Los Angeles office.

Mr. Harper has been with the group department of Travelers in Los Angeles office and before that was with the group department of Equitable Society in Chicago.

### Henry Brodnax Heads Universal

Following the recent death of Whitaker Brodnax, president of Universal Life & Accident of Dallas, his son,

Henry Brodnax, who joined the company as an agent in 1932 and became treasurer in 1937, has been elected president.

Harold F. Boss, who started on a debit in Oak Cliff (Dallas) in 1934 and became San Antonio manager in 1935, has been elected vice-president. He is a son-in-law of Mr. Brodnax.

### Wichita May Seek Mid-Year

The Wichita Association of Accident & Health Underwriters held its final meeting of the season June 1. Consideration was given to inviting the National association to hold its mid-year meeting in Wichita.

### Ragner Pittsburgh Speaker

Bernhard Ragner, publicity director of the Pittsburgh chamber of commerce and former managing editor of the Chicago "Tribune" Paris edition, has been announced as the banquet speaker at the annual meeting of National Association of Accident & Health Underwriters in Pittsburgh next week. He will talk on "Lessons for America in Europe's Debacle."

Governor Griswold of Nebraska has signed a bill which authorizes the Metropolitan Utilities district of Omaha to

purchase annuities and life and disability insurance for all employees.

## COMPENSATION

### N. Y. Rate Level Is Cut 2.3%

The compensation rates that become effective in New York July 1 produce a decrease of 2.3% in collectible rate level for standard coverage. The program of the Compensation Insurance Rating Board has been approved by the New York department.

### Take New Amendments Into Account

The rate structure takes into account a number of amendments to the law which somewhat increased the cost. These include the provision for an increase in the maximum wage rate to be used in computing death benefits from \$150 to \$162.50 monthly. Other amendments increased the emergency loading on the values of long term claims required to be paid into the aggregate trust fund and also increased the assessment levied on insurers to re-

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The experienced agent appreciates the importance, in these critical times, of protecting the client against all the hazards to which he may be subject including also those sometimes obscure hazards so easy to overlook. The Bituminous underwriters are constantly alert to secure all the information required to provide adequate and complete coverage. They are aware of the fact that what a client desires and what he assumes he is getting should be one and the same thing. Knowledge, experience and thoroughness of a high order are applied to the underwriting of every policy to the end that exactly the coverage required is provided. It is a *practical* SERVICE, the value of which is reflected in the steady growth of Bituminous, year by year.

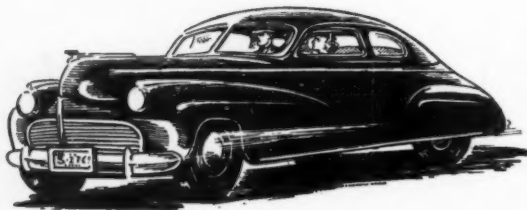
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## National Board Rally Is Largest Ever

(CONTINUED FROM PAGE 3)

nual gold medal for outstanding work in fire prevention, H. A. Williams, co-publisher of the Paterson (N.J.) "Morning Call" announced that the newspaper would turn over the \$500 cash equivalent of the gold medal to the Paterson chapter of the American Red Cross. Carl George, director of operations for radio station WGAR, Cleveland, winner of the radio fire prevention award, announced that the \$500 would be divided equally between the Cleveland Red Cross chapter and the Cleveland United Service Organization branch.

In addition to Mr. Thomas and Mr. Christensen other officers were reelected as follows: Secretary, Peter J. Berry, president Security of New Haven; treasurer, B. M. Culver, president Continental; general manager, W. E. Mallalien; and assistant general managers, C. H. Lum and F. S. Dauwalter.

Five members elected to the executive committee for three-year terms are: R. R. Martin, U. S. manager of Atlas; J. K. Hooker, vice-president Automobile; C. F. Shallock, U. S. manager North British & Mercantile; J. D. Smart, president New Hampshire Fire; and J. J. Seibels, vice-president South Carolina Fire.

### Address of Barbour

New frontiers of accomplishment that promise not only better living for us but for the peoples of the whole world were seen for the future by Mr. Barbour in his presidential address. This is true only if opportunity and rewards are not denied and "if government keeps its hands out of business and industrial enterprise that can be handled capably by private citizens," he declared.

Mr. Barbour cited a world trend to minimize the importance of the individual and to magnify the importance of the state and said that this must result inevitably in loss of personal liberty and initiative.

"Even in this country," he stated, "there has been growth of a philosophy that would have us believe we have outgrown the American way of life, that government bureaus and super-agencies can plan for and direct the individual better than he can for himself; a philosophy which tells young people that the opportunities that their forefathers enjoyed have gone and that the government must plan and do for them."

"Fire insurance," Mr. Barbour stated, "is a good example of capitalism at work for everybody. Our business is made up of ordinary every-day people and it is ordinary every-day people that it deals with and protects through insurance."

### Foundations of Business

"The foundations of our business rest on the private ownership of property of all kinds; on the private investment of money; on the personal initiative of millions of people to earn a living, who in so doing increase the wealth of the nation. Fire insurance protects the property of rich and poor alike, without discrimination in price when the hazards and protection sought are essentially alike. It comes in contact with every kind of person and every type of property."

"Ours is a neighborhood business. It is, also, a retail business. Well over one-half the number of all the fire insurance policies issued in this country are on homes and their contents. It is estimated that the average premium of such policies is about \$6 per year."

"It is not due to chance that the average rate of fire insurance as a whole has gone down over 40% in the last 30 years. It is due to better construction, better protection, and better housekeeping and an enlightened public which, under the leadership of the National Board, has supported the efforts of industry, management, state and municipal officials and the fire insurance com-

panies to reduce the fire waste that is such a drain on our national resources and our taxable values."

Mr. Barbour said that over a period of 2½ years, the fire protection engineers associated with the National Board, and with organizations maintained by the business, visited a total of 2,373 different properties vital to the war effort; have made 6,576 surveys and reports; and have spent 229,600 man hours doing the job.

### Cites Atlanta Case

Mr. Barbour called attention to the indictment secured by the Department of Justice in Atlanta against the Southeastern Underwriters Association, charging violations of the Sherman anti-trust act.

"For 75 years," he said, "the U. S. Supreme Court has repeatedly held that neither fire insurance itself nor the business of fire insurance is commerce. For over 50 years the Sherman anti-trust act, directed to restraints and monopolies in interstate commerce, has been upon the federal statutes books. Never before has the Department of Justice sought to apply the act to fire insurance. The bench, the bar and the public have accepted the decisions of the Supreme Court as meaning that the regulation of insurance is a state prerogative."

"Every one of the 48 states regulates insurance. An insurance company must be licensed by the state if it wishes to do business therein. It has no choice. The indictment threatens not only the regulation by the states, but also the public's interest in state regulation and what it aims to do."

"The National Board was not a party to the proceedings now in process in Atlanta, but the Department of Justice only recently has begun another investigation of our business, in which the board is included. The National Board has no part in the making of rates, nor anything to do with the commissions paid to agents, nor any supervision over the various regulatory organizations of the insurance business, that are authorized, permitted, or required by state laws or regulations. For that matter it has no regulatory powers of any kind."

"To citizens who believe in the bill of rights, in the guarantees of justice which the Constitution promises to the individual person and to the individual states, this action on the part of the Department of Justice seems a strange proceeding. What purpose can it serve when the fundamental question raised by the Department of Justice is already before the federal court for adjudication? This country is at war!"

### Piece Meal Conversion

As various industries complete their war production assignments they should be encouraged and permitted to get busy on peace-time problems and go as far as manpower and materials allow, Walter D. Fuller, president of the Curtis Publishing Company, declared in addressing the luncheon gathering.

Mr. Fuller said it is not necessary to wait for the echo of the last gun before starting on peace-time production.

"The transition from war to post-war probably will be a progressive procedure," he declared. "And that progressive way will be company by company and industry by industry. The realistic view is that the war will be over piece-meal, as the military requirements for this and that are filled to overflowing. And thus by the very nature of things we may escape another WPA and the socializing that the National Resources Planning Board report suggested. With an industry by industry transition, the unemployment problem can be digested bit by bit. Congestion can be avoided. And our fighting heroes and our production heroes thus

## Reviews Bond Setup for Credit Men

A review of the history of the writing of performance and payment bonds on behalf of contractors was presented at the plumbing, heating, refrigeration and air conditioning section of the credit congress in St. Louis last week by J. Dillard Hall, assistant agency director of U.S.F.&G. In the old days, he said, the protection of the material furnisher was limited to his ability to file a lien against the project. The lien having been filed, it was necessary that it be reduced to judgment and then it might stand up until the property was transferred, in which case the grantee would require the discharge of the lien or in some cases it would be possible for the holder of the lien to foreclose on the property and collect through sale. There were almost as many varieties of lien laws as there were states.

Generally speaking it was not possible to lien government work, federal, state, county or municipal, he said. In 1894, Congress passed the Hurd act requiring the contractor to furnish a bond protecting material furnishers. The act was subject to some criticism because it was primarily a protection to the government and only secondarily to the material man.

Then came the Miller act under which the federal government required a bond for performance and a bond for the payment of labor and material, Mr. Hall said. This permitted the material man to come in not six months after the project is accepted but 90 days after the last material is furnished, a change of inestimable value, particularly to furnishers of material entering into the early part of the project. Mr. Hall said that so far as he knew the Miller act and similar legislation in some of the states has worked very well.

When the defense program started and certain contracts were let on a cost plus a fixed fee basis no bonds were required. From the waiving of bonds on cost-plus contract arose the idea of waiving bonds on fixed price contracts. It was maintained that even after a contract had been bid and awarded there was too much delay in the procurement of the bond. This was a broad statement and hardly stood up under close analysis, he said.

The insurance people and the credit men presented very forcefully the argument that the requirement of a bond facilitated the establishment of credit and consequently the flow of materials. As a result of the combined efforts of credit men and the surety business, he said a directive was issued in Washington that labor and material bonds were desirable in order to facilitate the flow of material.

will be rewarded with the blessings of self-sufficiency instead of the indignities of relief."

Mr. Fuller singled out the cement, machine tools and construction industries as those that have largely finished their share in the war program.

The speaker cited statements that 600,000 workers will become idle during the next few months, and that 300,000 retail business establishments will go out of business this year, because they will have nothing to sell.

"Unless there is a steady flow of goods," he continued, these businesses "won't spring up after the war, from behind every bush. Small business men can't perform an economic function unless there is manufacture of goods civilians want to buy. If the whole production-distribution system is wrecked, by this war and by inattention to the transition opportunities as they arise, we are going to lose the race for post-war markets. We are going to wake up to find that the industrial seeds we are sowing today in India, China and South America have blossomed while we were dreaming of how to put the world together again."

## REA Split Traced to Row Over Insurance Policy

(CONTINUED FROM PAGE 3)

verted into cash and thereafter represent a cushion for emergency needs. The membership funds of the cooperatives, he stated, constitute the only equity in their financial structure other than the repayments of the principal of their loans.

### Opposes Insuring Lines

It was proposed that the rural mutuals insure the electric lines of the cooperatives but Mr. Slattery stated that REA makes ample funds available for repair of broken or damaged lines and he stated that there is a serious question whether enterprises that are almost wholly financed by government funds should in the early days of their operation and before maximum debt service payments have matured, engage in such extensive insurance activities which are "outside the field of your own electric cooperative undertaking."

The rural mutual companies were formed by Steve C. Tate of Georgia, president of the N.R.E.C.A., and Clyde T. Ellis of Arkansas, executive manager. Tate is president of the two insurance companies. Craig lined up with Tate and Ellis in the controversy with Slattery and it is believed that his resignation is due to that situation.

In the article in last week's edition telling something about the setup of the Rural Mutual companies, due to a typographical error, the statement was made that the companies are "now" owned or subsidized by the government. The "now" should have been "not."

## A.F.L. Social Security Measure Is Introduced

Senator Wagner of New York is scheduled to introduce this week a social security bill that is sponsored by the American Federation of Labor. It would provide a unified unemployment compensation plan, general health and hospitalization insurance, employment compensation and disability cover for men in uniform after their discharge, on a 26 week basis, with provision for extension to 52 weeks in certain circumstances; disability insurance for all workers and for service men physically disabled while in armed services; extension of old age and survivors benefits to those in agricultural and domestic employment and to self employed persons. The bill provides for a 12% payroll tax to be divided evenly between employer and employee.

Elmer C. Anderson, head of the surety department of Employers Liability, went to Chicago to attend the funeral of Lyman Drake of the Critchell, Miller agency and then made some agency visits to other points in the middle west before returning to Boston Wednesday.

## DEATHS

L. T. O'Brien, who operated a brokerage business in Chicago, died of a heart attack at the age of 55. He entered the insurance business before the first world war and after overseas battle service with the signal corps as a second lieutenant resumed in insurance. He had been with American Automobile, London & Lancashire Indemnity in charge of claims and underwriting at Detroit, and the Zurich head office in Chicago as a claims attorney before becoming a broker. Mr. O'Brien was a member of the Illinois bar and had practiced law in Michigan. He was a past commander of an American Legion post in Chicago.

Ralph E. Pinney, resident vice-president Fidelity & Deposit in Portland, Ore., since 1917, died after an illness of several months. He started with F. & D. in Spokane as a special agent.

imburse the state for expenses of the department of labor.

All specific occupational disease rates will be discontinued.

#### Broad Neb. O. D. Bill Signed

LINCOLN, NEB.—Governor Griswold of Nebraska has signed the bill extending compensation coverage to death or disability from diseases peculiar to the particular employment. It was amended so as to extend time of coverage to two years after employment had ceased, and to provide that where there has been aggravation of a preexisting disease the employer shall be liable only for the extent of the aggravation.

#### Defeat Neb. Benefit Increase

LINCOLN, NEB.—After a vigorous debate during which insurance companies were bitterly assailed and charged with making unconscionable profits on compensation business, the Nebraska legislature, by a vote of 22 to 16, killed a bill increasing maximum weekly compensation benefits from \$15 to \$17.

The legislature has reconsidered its action in killing a bill extending coverage to all occupational diseases. The bill was amended and advanced to special file. In its revised form occupational disease is defined as "due to causes and

conditions which are characteristics of and peculiar to a particular trade, occupation, process or employment, and to exclude all ordinary diseases of life to which the general public is exposed."

The legislature killed the bill permitting appeal direct to district court from the decision of but one judge of the state compensation court. Attempts to reconsider indefinite postponement of this bill and the \$17 a week payment maximum were defeated.

#### New Michigan Commissioner

LANSING, MICH. — Charles M. Woodbury of Bay City, a former commissioner, has been named a compensation commissioner by Governor Kelly. He fills a vacancy caused by the resignation, after his reappointment for a one-year term, of John W. Gibson, former chairman of the department.

#### To Study Care of Injured

CONCORD, N. H.—The New Hampshire legislature has created a recess commission to study the problems of remedial care of injured workmen under the workmen's compensation act.

#### Virginia O. D. Hearing June 8

RICHMOND—The commission created by the 1942 legislature to study the question of extending workmen's compensation laws to cover occupational diseases will hold a public hearing in Roanoke June 8. All those interested in the study will be given an opportunity to testify. They should present their statements in writing if possible, the announcement said.

Scarborough & Co. of Chicago, an insurance brokerage firm that has a large business among bankers, was luncheon host to 360 members of the Illinois Bankers Association at the annual meeting in Chicago. A talk was made by Sergeant Barry of the marine corps who told of his experiences in the battles of Midway and on Guadalcanal.

## Insurance salesmen get around— hear a lot of stories!



★ Here's a wartime job we all can do. It's simply this: Be a rumor-warden. Every time you hear a story that sounds like it originated in Mr. Goebbels' Berlin lie machine, squelch it then and there.

Urge whoever repeated the bit of rumor, "hot tip" or "they say" variety of story not to pass it on. Insurance men make a wide variety of contacts among men in all lines of business. If all of us keep our ears open for stories which might in any way benefit our enemies, and stop those stories from spreading, we can do a great service for our country.

**R. N. CRAWFORD & CO., Inc.**

120 So. La Salle St., Chicago, Tel. Randolph 0750

Headquarters for "OUT-OF-THE ORDINARY" Contracts



## Character IS EVERYTHING

... in the individual as well as the organization. And, with character goes faith and the fulfillment of obligations.

For 23 years the Pennsylvania Casualty Company has enjoyed the confidence of its thousands of agents and policyholders. It has never betrayed that confidence. It has always strived to build character—to improve its facilities—open new opportunities for its agents. It has always worked to serve its agents more efficiently—more friendly—for their own advantage as well as to policyholders.

Valuable Agency Franchises  
opening soon

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CASUALTY COMPANY**  
First National Bank Building  
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**NATIONAL SURETY  
CORPORATION**

VINCENT CULLEN  
President

**Dependable Insurance  
Service**

*plus*

**Aggressive Selling  
Assistance**

A multiple-line stock casualty company which offers financial strength—prompt claim service—up-to-the-minute sales and advertising aids—standard policies. It will pay you to investigate The Buckeye Union, an aggressive company for aggressive agents. Writing Automobile, Plate Glass, Burglary and Public Liability.

*The*  
**Buckeye Union  
Casualty Co.**  
HOME OFFICE  
Columbus, Ohio

A Stock  
Company

Territory in  
Ohio and  
Indiana



## SURETY

### To Formulate Program for Neb. Public Official Bonds

LINCOLN, NEB. — The Nebraska legislature has directed its legislative council to study the advisability of bonding state employees. This is not a move to put the state into the bonding business, as was at first surmised, but to determine by future legislation a policy applying to all state employees. It was found that in some offices the state pays the premium, while in others the employee pays it, and in still others no bond is demanded by the state officer in charge.

#### Asked State to Pay All Premiums

The state treasurer had asked that the legislature pay the premiums for all of his employees, but it refused to do this, although all of them at one time or another handle either state cash or the bonds the state owns as trustee for the permanent school fund. This decision was reached when it was found that the various practices outlined were being followed. The council is also to determine just what employees shall be bonded.

#### Upholds Subrogation on Official

PORTLAND, ORE.—The Oregon supreme court upheld the right of American Surety to pursue claims for reimbursement of losses paid to Marion county, Ore., on a public official bond of D. G. Drager, former county treasurer. Drager, according to the complaint, used county funds to pay taxes on property owned by him personally in Multnomah county, and in the city of Portland. American Surety paid on his bond, then sued to recover under subrogation from the county and city, alleging that the governments wrongfully received and retained corporate funds of Marion county with full knowledge that they were not personal funds of Drager, since used by the regular form of county check, signed by him as county treasurer.

The Surety Association of Pittsburgh at its meeting June 14 will hear R. W. Bachman of the F. B. I.

## CHANGES

### Carlson to Western Mich. for Ohio Casualty

C. V. Carlson, who has traveled northwestern Ohio for Ohio Casualty for 10 years, is being transferred to western Michigan for the company.

Mr. Carlson is widely acquainted among agents in the Michigan area. He traveled Michigan and did agency development work there for many years as a field representative for Standard Accident and the former General Casualty & Surety of Detroit. Mr. Carlson was associated with General Casualty & Surety as superintendent of agencies, and occupied that post with the former General Indemnity of Rochester, N. Y. He will continue to make his headquarters in Battle Creek.

### Dopheide Soon to Open Agency in Chicago

Walter L. Dopheide, office broker associated with Henry S. Slipner & Co., Chicago agency, for a number of years and previously secretary and a partner in the agency, will open his own general agency in the same quarters July 12.

While Mr. Dopheide will specialize in workmen's compensation, automobile, burglary, glass, accident and health, liquor liability and hospitalization insurance, he will do a general business in

all lines including fire, casualty and surety. Mr. Dopheide has established a reputation among brokers and sub-agents in the Chicago area as an authority on workmen's compensation.

In the interim before this agency opens he will make his office with the American Casualty branch.

#### Travelers Branch Office Shifts

Travelers has made changes among its branch office casualty men. A. K. Miller, Jr., field assistant Des Moines, has been promoted to assistant manager there. W. E. Shiels, Jr., field assistant San Francisco, was transferred to Seattle in the same capacity. E. A. Ziese,

field assistant, Milwaukee, temporarily is being transferred to Indianapolis in the same capacity.

Miss Florence L. Neidhardt, assistant cashier at Wheeling, has been appointed acting cashier of the branch and Miss Helen M. Bartholomew as assistant cashier.

#### F.C.A.B. Opens Vermont Office

Fire Companies Adjustment Bureau has opened a branch office at Rutland, Vt., to service Vermont for fire losses. E. O. Chadderton, staff adjuster at Worcester, Mass., will be branch manager. He was with the bureau's Boston and Springfield, Mass., offices before go-

ing to Worcester. Before joining the bureau he was employed at the home office of Fire Association and later at the Boston offices of Fireman's Fund and American of Newark. The new office will be in the Service building, 126 Merchants Row.

Bart Leiper, Provident Life & Accident, president of the Chattanooga Safety Council, addressed the woman's division of the Safety Council there.

The Iowa Association of Insurance Agents will hold a one-day business meeting at its annual convention in Des Moines and the date will likely be Oct. 28 or 29.



### What Does This Symbol Mean?

It's a digit to the mathematician.

It's a couple to those in love.

It represents an hour's pay to one . . . a day's pay to another.

It's the first sound of "together" and means that you're not alone.

It represents the working unit to Manufacturers . . . the tie-up—the team-up—of agent or broker and his company.

It means that your business is our business . . . only together can we make it a good business.

It's a symbol of our TWO aims . . . to provide the best coverage possible and the most complete agency cooperation.

It's team-work that wins . . . for "TWO'S company."

# MANUFACTURERS Casualty Insurance Company



PHILADELPHIA

## COMPANIES

### Metropolitan Cas. Retires Balance of RFC Obligation

By a payment of \$800,000, Metropolitan Casualty has now completely liquidated its Reconstruction Finance Corporation indebtedness. The final chapter consisted of the retirement of 20,000 shares of \$5 par value preferred stock which had been pledged indirectly as collateral for a loan from the RFC.

At the end of 1942 the balance of the RFC loan was \$1,600,000. Half of this was paid off in January of this year. The preferred stock has been retired and common stock increased.

All obligations arising out of the former mortgage guaranty business have been retired except for the guaranty of interest only of debentures and bonds of three debenture corporations, totaling \$3,074,950 as of March 15.

The amount of the original RFC loan was \$4,000,000. It was to be paid off at the rate of \$800,000 a year for five years but Metropolitan has completed the liquidation two years ahead of time.

### General Insurance Corp. of Fort Worth Is Organized; Ferguson Head

The organization of General Insurance Corporation of Fort Worth has been completed. It is capitalized for \$200,000 consisting of 20,000 shares of \$10 par value stock. The shares were sold for \$12.50 in order to create a net surplus of \$50,000. The issue was fully subscribed and paid in, in cash. The company is licensed to write all lines of fire, marine and casualty and it expects in the near future to extend its operations to Oklahoma, Arkansas and Louisiana. At present it will confine its writings to casualty lines only. J. M. Ferguson, Jr., is president.

Mr. Ferguson was with Federal Underwriters in Galveston for many years and remained with the organization when it moved to Dallas. Then he organized Associated Employers Lloyds at Fort Worth, this being composed mainly of grain men. It is reported that the new stock company will be run in conjunction with Associated Employers Lloyds.

### National Grange Guaranty Fund

National Grange Mutual Liability of Keene, N. H., has set up a guaranty fund of \$250,000 and under a new New Hampshire law will make its policies non-assessable.

### Plan New Issue of Stock

Directors of Citizens Casualty decided to present to stockholders for approval at a meeting soon to be held a plan to increase capital by \$10,000 and surplus by \$90,000 by issuing new stock. This would be a total issue of 6,000 shares of prior preferred stock of \$2.50

par value and \$1.25 dividend, with 4,000 shares to be issued at once at \$25 per share. The stock would be preferred to the extent of \$25 per share plus accumulated dividends (\$1.25 per year) and would bear a redemption price of \$26.25 per share plus apportioned dividends. The plan would be subject to approval by the New York department.

duty to repair the defect and he fails to do so, then liability may lie. Where the property owner is obligated to make the repairs and fails, then liability will lie.

He said practically all statutes contain the notice provision and that liability runs after notice has been given, also that failure and neglect to keep sidewalks in good condition may result in liability.

## ASSOCIATIONS

### Gillespie Heads California Automobile Conference

SANTA BARBARA—The California Automobile Insurance Conference at its annual meeting here elected these officers: President, J. D. Gillespie, United Pacific, San Francisco; vice-president, J. E. Addington, Pacific Employers, Los Angeles; secretary-treasurer, George T. Conklin, Pacific Indemnity, Los Angeles.

Members of the governing board in addition to the officers are L. W. Van Aken, Kemper group; Fred A. Spear, Spear & Co., and E. L. Mitchell, Employers Casualty, all of Los Angeles; H. E. Pink, Canadian Indemnity, and T. Cavin Howray, Connecticut Indemnity, San Francisco.

### Sidewalk Liability Reviewed

LOS ANGELES—Reginald I. Bauder, insurance attorney, spoke before the Casualty Insurance Adjusters Association of Southern California on "Liability of Abutting Property Owners for Sidewalk Injuries."

He said there are too few court decisions on this subject to give counsel extensive knowledge on which to base arguments. When changes on sidewalks have been made negligently, there is liability. Where notice of defects has been served on the property owner, if it is his

### Ohio Managers Elect June 7

The Ohio Association of Casualty & Surety Managers will hold its annual business meeting and Walpurgis party June 7 in Columbus. This will be the last meeting before the summer recess.

### Slate Fisher in Baltimore

Frank Fisher, U. S. F. & G., is scheduled to be elected president of the Casualty & Surety Club of Baltimore at the annual meeting Friday. H. C. Nuttle,

Fidelity & Deposit, is nominated for vice-president; William E. Moore, U. S. F. & G., secretary and F. H. Strickland, New Amsterdam Casualty, treasurer. For the board of governors there are nominated E. W. Carr, Maryland Casualty, Mr. Fisher, Mr. Nuttle and W. A. Weech, New Amsterdam Casualty.

### Holds Convention by Mail

A "Convention by Mail" portfolio has been sent to its agents by Harleysville Mutual Casualty and its affiliate, Mutual Auto Fire of Harleysville. As hotel and transportation problems are acute, Harleysville executives decided to drop in on each agent and have a lively and interesting series of sessions right in the agent's office.

A master of ceremonies introducing the various executives and department heads who step up and tell their stories in real-life fashion.

## Do you have Adequate and Satisfactory Facilities

for the handling of your

Druggists', Physicians' and Surgeons'  
and Hospital Liability Business—  
your Products Liability lines?

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Casualty Company

BALTIMORE

NEW YORK

Home Office  
Near the Falls of Minnehaha  
On the Mississippi River



**ANCHOR CASUALTY COMPANY**

SAINT PAUL  
MINNESOTA

### FINANCIAL STATEMENT AS OF DECEMBER 31, 1942

ASSETS		LIABILITIES	
Stocks and Bonds.....	\$2,402,570.80	Reserves for:	
Bonds* .....	\$1,784,674.80	Claims .....	\$1,092,467.49
Stocks .....	617,896.00	Unearned	
F. H. A. Mortgages.....	193,515.84	Premiums .....	879,304.26
Cash in Banks and Office.....	340,074.47	Commissions .....	60,551.43
Premiums in Course of Collec-		Tax Reserve .....	160,000.00
tion (Not over 90 days).....	326,333.24	Other Liabilities.....	37,893.18
Accrued Interest and Miscellane-		Contingent Reserve.....	\$153,440.43
ous Funds .....	21,162.44	Capital .....	400,000.00
		Surplus .....	500,000.00
<b>TOTAL ADMITTED ASSETS.....</b>	<b>\$3,283,656.79</b>	Surplus to Policyholders.....	1,053,440.43
*Bonds are carried at Amortized Values. If they		<b>TOTAL .....</b>	<b>\$3,283,656.79</b>
were carried at Market Values the Surplus to Pol-			
icyholders would be \$1,117,951.63—Stocks are car-			
ried at Market.			



### PAYROLL AUDIT SERVICE

#### K. L. PEARCE COMPANY

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PROMPT — COMPLETE

Iowa, Michigan, Missouri,  
Minnesota, Dakotas, Nebraska,  
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## A COMPLETE SERVICE INSURANCE and REINSURANCE

ACCIDENT • CASUALTY • MARINE • SURETY  
AGGREGATE EXCESS (Stop Loss) • SPECIFIC EXCESS  
WORLD-WIDE TRAVEL (Personal Accident) INCLUDING WAR RISKS

**KENNETH B. S. ROBERTSON, Ltd., 414 St. James St. W. Montreal, Can.**



## Boiler Battle Continues to Rage

(CONTINUED FROM PAGE 10)

losses from this cause. Existence of expediting coverage has made many an assured feel that he had to pay extra in order to avoid dilatory claim settlement practices on the company's part and this is not in the public interest.

Contents coverage was included in the basic coverage prior to 1926 and there never was adequate justification for forcing the assured to buy such coverage independently. There is no more justification for differentiating in the rate between various types of contents in a vessel than for charging a different rate according to the material of which the vessel is made.

### Calls Exclusion Inconsistent

The bureau points out the inconsistency of excluding contents coverage, since insurance on a boiler standing next to an unfired vessel containing contents valued at \$100,000 does not exclude coverage of the contents of the unfired vessel but in the past the coverage for the unfired vessel itself has excluded the contents. Automatic coverage for a limited period for no additional charge is a universal feature of casualty and surety contracts and the bureau believes there is no justification for not following the procedure in the basic contract.

The non-bureau companies objected to the application of a percentage factor to object rates in order to determine excess limits. The bureau points out that this procedure is simple, since a single table of factors is proposed and it is further provided that the object rates for all objects to be insured for a single limit at a single location shall be added together prior to application of the factor.

### Non-Bureau Contention

As to the non-bureau contention that the proposed procedure is illogical (because the threat of a catastrophe or a loss involving excess limits does not vary in proportion to the number of objects insured), the bureau makes the point that in a plant where there are 20 boilers of the same size the probability of occurrence of a catastrophe through a boiler accident is 20 times as great as in a plant containing only one such boiler. Since many types of costly accidents that are included under machinery breakdown coverage on turbines are excluded under explosion coverage and could readily result in losses well in excess of the standard \$10,000 per accident limit the bureau method of excess charges, which provides for an excess limit premium substantially higher for breakdown coverage than for explosion coverage is proper and reflects the higher hazard.

As for permitting different limits on different objects the bureau points out that the assured in other casualty lines can do this and that while it is true, as the non-bureau memorandum states, that "the property value exposed in a given plant is the same whether threatened by a steam turbine or by a small motor," it is not true that the degree of threat to that property is the same in the two instances and consequently there is not at all the same need for a high limit per accident in the two instances. The non-bureau plan calls for a single limit applying to the entire location.

Concerning the criticism that the bureau manual provides for no reduction in premium for any limit less than \$10,000 per accident, the memorandum states that this limit was selected primarily because it was the most popular limit purchased in the past and furthermore the introduction of a \$10,000 standard limit is tied in with the inclusion of personal injury liability in the basic coverage and that any coverage up to \$10,000 above the normal repair or replacement value of the object is for damage to other equipment in the plant and for liability coverage. There is no additional charge for this limit.

Though criticised as inaccurate, the bureau's new method of obtaining rates

for horizontal cast iron boilers is actually more accurate than the old procedure, the bureau memorandum maintains. Name-plates, which have been the guide to rates in the past, were sometimes not available and sometimes the size of a boiler has been reduced or increased by removal or addition of one or more sections. As for the criticism that measurement of boilers is difficult because of insulating jackets, measurements include these jackets, hence the figure is equitable.

Inclusion of furnace explosion in the residence boilers and vessels basic coverage, also criticised for forcing the insured to buy this coverage whether he wants and needs it or not, is in line with the trend toward blanket coverage, particularly for small units. Furthermore it eliminates dissatisfaction among householders, who often fail to understand the difference between a boiler explosion and a furnace explosion and are chagrined when a loss is not covered.

Replying to the criticism that "objects" and "accident" are not defined in the manual, the bureau points out that in the new manual the coverage and

types of objects are described in general terms and so far as possible in laymen's language, but omitting the detailed legal phraseology. This enables the agent to ascertain important particulars from the manual but "as respects the actual details of coverage it seems axiomatic that these should always be determined by reference to the policy contract and the agent is served notice to that effect in the first paragraph on page 2 of the new manual. If an agent has not been familiar with the policy forms in the past, the business will benefit from his being encouraged to do so in the future."

In answer to the non-bureau charge that the bureau's definition of "location" has no practical basis the bureau states that its definition, which includes all the properties of the assured located within the limits of a city, town, village or other similar governmental subdivision, was due to the fact that when an inspector needs to walk only a few blocks in the same city neither the time nor money involved is sufficient to be reflected in the policy premium and that the new definition is more logical and equitable than the old one.

### Provision for (A) Rating

Defending the provision for (A) rating of outage and power interruption coverages, manufacturers shop policies


and various types of objects not specifically rated in the manual the memorandum states that as for the first three types of coverage this procedure was adopted primarily because no exposure basis has been developed which equitably reflects the hazard as between risks and in addition so little business is written under these coverages that it is of questionable value in establishing rate schedules.

Though denying the non-bureau memorandum's criticism that short rate cancellation of any policy to take advantage of the new reduced rates is discriminatory, the National Bureau points out that it has amended this rule permitting pro rata cancellation and rewriting of an outstanding policy to its normal expiration date or to such date as will absorb pro rata any resulting reduction in premiums.

### Martin Lewis Slated in Boston

Martin W. Lewis, president of the Towner Rating Bureau, will address a meeting of the Surety Association of Boston next Thursday evening on fiduciary bonds. The meeting was arranged in view of the fact that Mr. Lewis will be in Boston for the insurance commissioners convention.

You can write business with an old-fashioned pen...  
but it's easier when you use WESTERN SURETY'S  
*Modern order blanks*



AGENT'S ORDER BLANK FOR BOND, EITHER FIDELITY OR SURETY, WHERE APPLICATION IS TO BE WAIVED.  
TO BE USED ONLY FOR SELECT RISKS WHICH THE AGENT CAN UNQUALIFIEDLY RECOMMEND, OTHERWISE USE PROPER APPLICATION.

AGENT'S ORDER BLANK FOR FIDUCIARY BOND, WHERE APPLICATION IS TO BE WAIVED.  
TO BE USED ONLY FOR SELECT RISKS WHICH THE AGENT CAN UNQUALIFIEDLY RECOMMEND, OTHERWISE USE APPLICATION NO. 161.

Western Surety Company  
Sioux Falls, South Dakota  
Chicago—175 W. Jackson Blvd.

PLEASE SEND ME THE FOLLOWING FIDUCIARY BOND, WAIVING APPLICATION:

Name of party to be bonded \_\_\_\_\_ Age \_\_\_\_\_ Single ☐ Ever ☐ Married ☐ Divorced ☐ Widowed ☐

Occupation or business \_\_\_\_\_ Address \_\_\_\_\_

Approximate worth of applicant \$ \_\_\_\_\_

Kind of Bond \_\_\_\_\_ Amount of Bond \$ \_\_\_\_\_

Administrator ☐ Executor ☐ Guardian or Conservator ☐ Trustee ☐

Sole of Real Estate by Administrator ☐ Executor ☐ Guardian or Conservator ☐ Trustee ☐

Court where bond will be filed \_\_\_\_\_ State \_\_\_\_\_

Name of attorney \_\_\_\_\_ Address \_\_\_\_\_ Date of appointment \_\_\_\_\_

What property is in the estate or trust? \_\_\_\_\_

Does the estate or trust own any money? \_\_\_\_\_

Has applicant or any other person given bond or acted as fiduciary for this estate or trust before? \_\_\_\_\_

If so, give name of surety \_\_\_\_\_

Reason for requiring new bond \_\_\_\_\_

Is applicant indebted to the \_\_\_\_\_ \$ \_\_\_\_\_

Water and gas \_\_\_\_\_

WESTERN SURETY COMPANY  
Sioux Falls, South Dakota  
Chicago—175 W. Jackson Blvd.

PLEASE SEND ME THE FOLLOWING FIDUCIARY BOND, WAIVING APPLICATION, JOINT CONTROL ON ANY FURTHER INFORMATION.

Name of party to be bonded \_\_\_\_\_ Address \_\_\_\_\_ Amount of Bond \$ \_\_\_\_\_

Occupation or business \_\_\_\_\_

Name of Estate \_\_\_\_\_

Date of Appointment \_\_\_\_\_

Administrator ☐ Executor ☐ Guardian or Conservator ☐ Trustee ☐

Sole of Real Estate by Administrator ☐ Executor ☐ Guardian or Conservator ☐ Trustee ☐

Court where bond will be filed \_\_\_\_\_ State \_\_\_\_\_

Name of attorney \_\_\_\_\_

Party's responsibility is joint. The net worth is approximately \$ \_\_\_\_\_ and I recommend the bond to a safe use of the property to be bonded. The bond does not exceed a previous bond in the same amount, and the bond is not intended to be used as a substitute for a previous bond.

Agent's signature \_\_\_\_\_

(Not use only on bonds not exceeding \$1,000 where estate will be closed within 6 years. Do not use on bonds where estate will be closed at age within this period, and bond does not exceed \$1,000.)

**T**HIS pioneer bonding company has made great forward strides in its 43 years of surety service through the introduction of new ideas. For example, these modern order blanks do away with application for bonding business which the agent can unqualifiedly recommend. They are designed to save him time — to bring more business at greater profits. Let us tell you more about our profit-making service to you. Write today—



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Montana • Nebraska • Ohio • Oklahoma • North Dakota • South Dakota • Wisconsin

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Minneapolis Agents Answer Questions at Buyers' Dinner

MINNEAPOLIS — Deductible fire insurance, graded premiums and use and occupancy insurance predominated in a spirited but friendly discussion between the Insurance Buyers Association of Minnesota and a number of leading agents and brokers at the dinner meeting of the buyers group here. The agents and brokers had been invited to answer frankly 20 questions which the buyers described as their outstanding sore points.

R. A. Thompson, president Minnesota Association of Insurance Agents, and F. B. Quackenboss of Rollins-Burdick-Hunter, Chicago, took a prominent part in answering the questions. P. L. Bachman, president of the buyers group, put the questions.

#### Too Many Regulatory Bodies?

In his introductory remarks, Mr. Bachman said there are at least 100 "insurance company-controlled underwriting, and advisory organizations" and that buyers cannot understand the necessity for so many, believing that many of them exist more to restrict competition than to assist in determining rates and solving underwriting problems. He said that buyers want insurance to continue as a private institution instead of a government-controlled activity and also want to insure in American companies, but often are forced to use foreign markets or go uninsured.

Most of the agents present were favorable to excess and deductible fire insurance and said it would come if the public wants it, but that a number of existing laws would have to be changed.

#### Disagree on Graded Costs

Messrs. Thompson and Bachman had an argument over the feasibility of grading rates with the size of the premium, Mr. Thompson maintaining that it costs more to service a large account and the buyers president denying this. There was a discussion of use and occupancy forms, in which the Minnesota laws on coinsurance were explained and several agents, as well as the buyers, favored a reporting form. Fidelity bond rates and the rating system were criticized severely and the question of including automobiles of employees in fleets was also raised. The agents defended the present rules on this, pointing out that fictitious fleets are discriminatory and that an employer has little control over cars owned by employees.

Other agents present were W. W. Vocht, Gaylord Warner, J. M. Regan, L. W. Sanford and E. W. Canterbury, all of Marsh & McLennan; G. W. Harsh, L. P. Foster, B. F. Vessey, G. E. Gulstrand and L. H. Taker, Chas. W. Sexton; Joe Rogers of Frank S. Rogers and E. M. Heinselman.

#### Cooperate on Fire Marshal Plan

GRAND RAPIDS, MICH. — State Mutual Fire of Flint, Woodland Mutual Fire, Citizens Mutual Fire and Farmers Mutual Fire of Cedar Springs have notified the Kent county board of supervisors that they will pay approximately half of the cost of maintaining a full-time county fire marshal. Grand Rapids is located in Kent county.

The supervisors' fire prevention com-

mittee recommended a \$3,000 appropriation to defray the marshal's salary and mileage costs. The four mutuals insure about 90% of rural fire risks in Kent county. Under the plan advanced the fire marshal would make inspections for the companies at 75 cents per inspection.

### Insurance Organization Men at Ill. Fire College

Among those who will participate in the program of the Illinois fire college June 8-11 at the University of Illinois, Urbana, are R. E. Vernor, manager fire prevention department, Western Actuarial Bureau, who will talk on "Froth, Foam, or Facts"; Harry K. Rogers, chief instructor of the fire prevention department of W. A. B., "Special War Hazards and Their Control" and "Evacuation or Panic, It's Your Choice"; Curtis R. Welborn, secretary Underwriters Laboratories, "The Romance of Testing for Safety"; John A. Neale, chief engineer Underwriters Laboratories, "Are New Materials More Hazardous Than Old?"; Elmer F. Reske, chief engineer Cook County Inspection Bureau, "Alternate Water Supplies"; George Tatnall, National Board, Chicago, "Inspection of Property Adjacent to War Plants"; M. I. Parker, Missouri Inspection Bureau, "Mutual Aid, Public and Private Fire Protection"; V. H. Tousley, electrical field engineer of the National Fire Protection Association, Chicago, "War Time Electrical Safety and Static Electricity."

#### Evansville Agencies Merged

At Evansville, Ind., the Interstate Finance Corporation has purchased the Greene & Greene agency and the Evansville Morris Plan Company, the two agencies being combined, to operate as the Interstate-Greene & Greene agency, with offices in the Morris Plan building. John T. Rimstidt, formerly Interstate agency manager, is manager of the combined agency and James M. Jones, for 24 years with Greene & Greene, is assistant manager. Entire personnel of both agencies is being retained. Pearl E. Schnitz, with 18 years insurance experience, is office manager. Charles Rittinger is field assistant.

#### To Honor Ritt, Jungbauer

ST. PAUL — E. A. Ritt, who recently retired as St. Paul manager of the Fire Underwriters Inspection Bureau after nearly 50 years' service, and his successor, Louis Jungbauer, will be guests of honor at the dinner of the Insurance Exchange of St. Paul June 10. President R. A. Thompson and Executive Secretary Frank S. Preston of the Minnesota Association of Insurance Agents will explain what the state association proposes to do toward raising its share of the public relations fund of the National association.

#### Brown Is Hutchinson President

New officers of the Hutchinson (Kan.) Association of Insurance Agents named by the new executive committee are: Clyde Brown, president, succeeding John Fontron; Charles E. Long, reelected vice-president, and Ernest Barr, Bankers Investment Co., secretary, succeeding James Casey, now in the army.

The Hutchinson Association of Insurance Women will elect officers at a picnic meeting June 9.

#### Minn. Demands Strict Compliance

ST. PAUL — Commissioner Johnson has advised all companies licensed in

Minnesota that he expects strict compliance with Minnesota laws relating to brokerage business and non-resident agents. He says he has been informed that not all of the insurers are adhering to the statutes in that respect and that some companies are not following the law on allocation of premium taxes.

#### Insurance Society Changes Name

The Insurance Society of Columbus changed its name to Insurance Board of Columbus. The annual meeting will be held June 15. It has broadened its membership provisions to enable casualty and surety agents to become members.

#### Proposed Probe Killed

The lower house of the Wisconsin legislature has now voted down the proposed investigation of fire insurance rates. Previously the insurance committee had voted against such an inquiry.

#### NEWS BRIEFS

Karl V. Klein, president of the Insurance Exchange of St. Paul and vice-president of the W. A. Lang agency, has been elected commander of the Business & Professional Men's post, American Legion.

Julie M. Hannaford of the Hannaford-O'Brien agency, St. Paul, has been elected treasurer of the Episcopal diocese of Minnesota. Adolph G. Meile, local agent at New Ulm, was elected on the executive council.

The Green Bay (Wis.) Women's Insurance Club has elected Miss Florence Leninger, president; Mrs. Libbie Lamine, vice-president, and Miss Leone Egan, secretary-treasurer.

Dwight P. Ely, production manager of Ohio Farmers, will address the Insurance Women of Columbus at a dinner June 3 on "How to learn the insurance business in three easy lessons."

Maj. J. W. Cook, vice-president F. D. Hirschberg & Co., St. Louis, won two top prizes at the spring flower show of the St. Louis Horticultural Society.

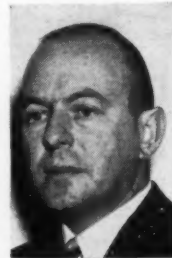
The annual banquet of the Lucas County Insurance Board will be held in Toledo Friday, with C. C. Dussel, retiring president, in charge.

## SOUTH

### Georgia Agents' Head Has Risen Rapidly

W. M. Fambrough, the new president of the Georgia Association of Insurance Agents, has moved up rapidly in association ranks since he entered the agency business in Columbus in 1939 as vice-president and general manager of the Columbus Interstate Insurance Agency. He has served continuously on the executive committee of the Georgia association since June, 1939, and last year was first vice-president and chairman of the executive committee.

Mr. Fambrough, who is 37, was in the local agency business in 1927 in Columbus, but in 1928 he went to Atlanta as casualty and surety special agent for Haas and Howell, general agent at that time in Georgia for Mary-



W. M. Fambrough

land Casualty and Fidelity & Deposit. In 1931 he went with Fidelity & Casualty as special agent in charge of Georgia. Thus he has had experience in both the company and agency fields. He is a past president of the Columbus Insurance Exchange, and is president of the Lions Club there.

### Tenn. Allows Refunds on Policies of Men in Service

NASHVILLE, TENN. — Commissioner McCormack has announced that Tennessee's stringent laws against discrimination will not be enforced against refunds on cancelled fire and casualty policies to soldiers or sailors.

#### Ludolph Reviews Tex. Convention

The San Antonio Insurance Exchange heard a brief review of the Austin convention of the Texas Association of Insurance Agents by Secretary F. F. Ludolph, who also asked why the War Damage Corporation should not collect additional premiums for continued protection of property.

#### Kentucky Mutual to Start Jan. 1

LOUISVILLE, KY. — The Kentucky Farm Bureau Federation, which has been operating as agent for Farm Bureau Mutual of Indiana, announced that Kentucky Farm Bureau Mutual, which has been organizing for some time, will start operating Jan. 1. Policies will continue to be issued by Farm Bureau Mutual of Indiana.

J. E. Stanford, secretary-treasurer, said there now are about 5,000 Kentucky policyholders. Alex Calvert, Mayslick, is president, and R. S. Trigg, Frankfort, is manager of the insurance division.

#### Houston to Address Tenn. Agents

NASHVILLE — Charles T. Houston, deputy commissioner and head of the legal department of the Tennessee department, will speak at the annual meeting of the Tennessee Association of Insurance Agents here June 10, in the absence of Commissioner McCormack, who will be attending the commissioners' meeting in Boston. Stuart Ragland, Richmond, and Harry E. McClain, Indianapolis, are the other speakers.

#### NEWS BRIEFS

E. A. Covington, local agent of Springfield, Tenn., has been appointed a member of the committee on investments and investment policies of the United States Savings & Loan League.

## EAST

### Pittsburgh Agents Reelect Officers

PITTSBURGH — John B. Ladley, head of W. L. Ladley Sons, and Clarence H. Alexander, partner in McCandless, Collingwood & Alexander, were reelected president and vice-president, respectively, of the Pittsburgh Association of Insurance Agents at the annual meeting. B. M. Snyder was elected secretary-treasurer for the fifth consecutive term.

Three new directors elected are A. W. Pardew, W. W. Flanagan & Co.; C. A. Reid, Wallace M. Reid & Co., and G. A. Uhlinger, Uhlinger Realty Co. of Springdale, Pa.

Mr. Uhlinger will represent agents outside of Pittsburgh proper.

Annual reports were made by officers and committee chairmen. The treas-



urer's report indicate that the association is in sound financial condition. George H. Hacke, membership committee chairman, said the current membership campaign has been extended to June 10.

Members discussed the effects of the war on maintenance of high standards of qualification. It was reported that the Pennsylvania department has presented to the association proposed revisions in qualification rules and regulations designed to prevent license qualifications from impeding the war effort and at the same time to maintain established standards.

### Amidon Life Manager for Field & Cowles, Boston

Ken Amidon, who has been assistant manager of the M. F. Kane agency of Prudential in Boston, has been made life insurance department manager of Field & Cowles, Boston. Mr. Amidon was with Prudential for the past seven years and prior to his experience with that company was with the Albert H. Curtis agency of New England Mutual.

At Field & Cowles, he succeeds Joe Giltner, who now becomes life insurance manager for Marsh & McLennan in Boston. Mr. Giltner was at Field & Cowles for nine years. He established the life department there.

### Added Starters at Conn. Agents' Gathering

Robert J. Owen, New England district manager of First Bancredit, is scheduled to give a 15-minute talk on the progress of premium financing at the midyear meeting of the Connecticut Association of Insurance Agents June 16 at the Waterbury Country Club, Waterbury, Conn. The meeting will convene at 10:45 a. m., with reports on membership, legislation and public relations. President E. S. Cowles, Jr., Hartford, will preside. John P. Madigan, manager bonding department New York office of Maryland Casualty, will talk on the sales possibilities of the blanket position bond and commercial blanket bond. Recreational activities will follow.

### N. J. Insurance Women Elect

NEWARK—At the annual meeting of the Insurance Women of New Jersey these officers were elected: President, Dagmar Koed, Cartaret; vice-presidents, Belle Helmlinger, Newark, and Bea Caldwell, Camden; treasurer, Indiola Fitting, Newark; secretary, Clare Nadin, Newark.

### N. Y. Mutual Agents Parley Set

The Mutual Insurance Agents Association of New York State will hold its annual meeting June 8-9 at the Syracuse Hotel, Syracuse. On the first day Harry C. Foster, Jr., Utica Mutual, and George Bagley are on the program.

Chase Smith, National Retailers Mutual; Clarence Twichell, Syracuse; H. M. Terry, Michigan Millers, and Herbert Viet, Merrimack Mutual, will speak June 9. At the banquet June 9, Chase Smith will be toastmaster and Thomas J. Cullen, acting New York superintendent, is scheduled to speak.

### Require Mortgage to Renew

BOSTON—Bank Commissioner Perry of Massachusetts has notified all savings and cooperative banks that he expects them to require owners of mortgaged properties to renew their war damage insurance at the property owner's expense.

### Agger Talks to Realtors

Commissioner Agger of New Jersey addressed the Newark Real Estate Board on the "Liquidation Problems of the New Jersey Insurance Department."

### NEWS BRIEFS

The New York department has given approval to the issuance by New York Central Mutual Fire of non-assessable policies. Heretofore there was an assessment liability of one additional annual premium.

Schumacher & Werbel, Newark, have taken over the agency of Arthur Frederick Realty Co.

## COAST

### New Hops Forms in Oregon Revisions

PORTLAND, ORE.—The Oregon Insurance Rating Bureau new rules include for the first time a cease operations permit for manufacturing or processing plants without the 60 day limit. This eliminates the former practice of issuing 60 day permits and renewing for the duration of the shutdown. Mercantile and non-manufacturing risks may now be given unlimited shutdown privilege. Other changes include a much shortened clear space clause for lumber yards, authorization of provisional builders risk cover for a single assured under Form No. 1, and a revised watchman's warranty for mining properties. Provisional cover on rents on vacant property is now permitted, and the term rule amended to write

feed mills at three years for 2½ annuals.

The new rules and forms for hop risks make coverage on hops in the field much more liberal. Coverage in the field, including consequential damage as a result of destruction of buildings or equipment, is set up under a separate amount of insurance. The premium may be deducted in whole or in part from the charge for drying hops under item II. This permits writing full coverage on hops in the field at a considerable reduction in premium in most cases. Two optional methods are provided for insuring hops on the insured's premises. A "transfer to warehouse" clause permits coverage to extend to a single public warehouse if specifically designated when the hops are insured.

An amount and premium adjustment clause automatically adjusts the amount of insurance under the policy in event of a hop allotment of 95 percent or less, under the U. S. Marketing Act, in consideration of a reduction in premium form.

### Set Washington and Oregon Agents' Convention Dates

Plans have been completed for holding the Washington and Oregon agents' conventions on successive week-ends in August.

The Oregon Association of Insurance

Agents will hold a one-day session in Portland, Aug. 20, while the Washington association will convene in Seattle a week later, Aug. 27.

The Oregon meeting will be held at the Multnomah Hotel. The morning will be devoted to an executive committee session. If facilities are available, there will be a luncheon meeting open to insurance men generally, followed by a closed afternoon session for the membership only. Principal items on the program will include consideration of a new constitution and by-laws and election of officers. A cocktail party is planned following the meeting and there will be a golf tournament Saturday.

The Olympic Hotel will be headquarters for the Washington convention. An innovation will be a past presidents' dinner the evening before the meeting. There will be an all-day session for the general membership, although no formal luncheon is planned. There will be a dinner for the executive committee and a golf tournament Saturday.

### Must Keep Separate Accounts

SAN FRANCISCO—Commissioner Caminetti of California has issued a strongly worded warning to brokers, agents and solicitors that they must comply with the provisions of the insurance code that they maintain separate accounts for personal and insurance funds. The commissioner points out

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that many cases called before him have been handled leniently but that continued violation will mean certifying the cases to the nearest district attorney for criminal prosecution.

"All insurance funds, and only insurance funds," he said, "can be deposited in such trust account, and the same can be used only for insurance disbursements."

#### Joint Mortgage Loan Ruling

SAN FRANCISCO — The insurance commissioner of California has it within his discretion whether or not he will accept mortgage loans on properties owned in joint tenancy as admitted assets, according to an opinion by Neil Cunningham, deputy attorney-general. Investment of an insurer in a note secured by mortgage executed by a co-tenant of property is of doubtful value by reason of the difficulty of foreclosure procedure and determination of the respective interests in the property, the opinion stated.

#### Charles E. Gibbs Resigns

SAN FRANCISCO — Charles E. Gibbs, secretary Insurance Brokers Exchange of San Francisco since 1940, presented his resignation to the board of governors at a special meeting. After a long discussion over the wording and details contained in the letter of resignation and upon Mr. Gibbs consenting to revise the communication more briefly and in less details of his reasons, his resignation was accepted. The board is meeting this week to consider a successor.

#### Stevens Warns Against Japs

SAN FRANCISCO — At a meeting of Pacific Coast civilian defense officials, Jay W. Stevens, chief fire prevention bureau National Board and OCD fire defense coordinator, declared he was convinced that in the near future the Japs will make an intensive effort to damage Pacific Coast areas—either from "without or within." Chief Stevens told the group of the need for constant vigilance against fire—either by bombs or sabotage.

#### Wash. Non-Admitted Business

SEATTLE — Non-admitted insurance transactions reported to the Washington department for 1942 produced premiums totaling \$428,634, distributed as follows: Fire, \$46,930; miscellaneous, \$291,825; marine, \$89,788.

Fire and miscellaneous lines are cleared through the Surplus Line Association of Washington for examination. The association embraces all classes of non-admitted business except ocean marine.

#### Protest General Agency Rule

LOS ANGELES — The governing committee of the Insurance Exchange of Los Angeles has voted to file a protest with the Pacific Board against its new general agency rule.

#### Sloan Froggatt's Coast Manager

Charles A. Sloan has been appointed resident vice-president and Pacific Coast manager of Joseph Froggatt & Co., with

headquarters in San Francisco. Ralph L. Martin will continue as assistant Pacific Coast manager. Harold Kelly has been sent from New York to be manager of the Los Angeles office. Mr. Sloan has been an officer of the organization for many years.

#### Must Have State License

SAN FRANCISCO — Agents and brokers transacting business on federal government property in California, including that taken over recently for war purposes, must have a California state license, according to an opinion rendered

Commissioner Caminetti by Neil Cunningham, deputy attorney-general.

#### Can't Be Agent and Adjuster

SAN FRANCISCO — In an opinion rendered to Edwin M. Daugherty, commissioner of corporations of California, Neil Cunningham, deputy attorney-general, holds that small loans brokers cannot act as insurance agents and also serve as adjuster on losses.

Memorial services were held by the San Francisco Insurance Post of the American Legion.

## MARINE INSURANCE NEWS

### Extension Clause Change to Bring Rate Reduction

NEW YORK — Substantial reductions in the rates for the new mandatory marine extension clauses will result from the decision of the War Shipping Administration and the commercial underwriters to assume under the war risk coverage some of the important perils which up to now have been covered in the marine policy. Because of these new developments the effective date of the marine extension clauses has been changed from June 1 to July 1. However, it will continue to be available at the present rates on an optional basis until the new effective date.

Some insured have already purchased their coverage on the new basis, as in some cases the marine extension charge is less than the two coverages which it replaces. These coverages are the mandatory marine surcharge which covers added perils of navigation due to wartime conditions, such as absence of customary aids to navigation, and the wartime extension provision covering delays, deviations and transshipments, which has been optional. So many occasions arose where this coverage was needed and it has been so difficult for insured to get the information on which to base the necessary reports to the underwriters that it was decided some time ago to combine the marine surcharge and the wartime extension under a single mandatory coverage to be known as the marine extension clauses.

#### Perils to Be Shifted

Among the perils which will be taken out of the marine policy and put into the war risk coverage under the new arrangement are such important ones as collision in convoy, strandings, and losses due to the absence of customary pilots due to wartime conditions. The shifting of these various perils from the marine to the war policy will introduce some complications

for insured who for reasons of economy have been placing their war risk coverage in London and the marine coverage in the United States.

Some time ago, as a result of a court decision involving the steamer "Coxwold," the British market excluded certain perils from its war risk coverage and correspondingly broadened its marine coverage. However American insured needing the old type of war coverage to dovetail accurately with their American marine coverage could and can still get the old type of war coverage in London. It will now be necessary for the London market to provide still another type of war coverage to dovetail accurately with the new American marine coverage for if this is not done there would be a gap between the American marine insurance and the London war risk coverage which might result in London's war-only business shifting to the United States or the marine coverage written here being attracted to London.

### Theft Losses Higher in Ocean Cargo Line

Marine insurers say that there is quite an increase in ocean cargo losses from theft, this being attributable mainly to the war time crop of stevedores in many places, together with the congestion and less competent supervision. For instance, it is reported that an enormous number of penknives have been stolen at South American ports. The vessel crews have also been guilty of some of the thefts, it is reported.

### Follingstad Is Elected Skipper of the Mariners

Earl Follingstad of Newhouse & Sayre was elected skipper of the Mariners, Chicago marine underwriters organization, at its annual meeting. He succeeds John H. Byers of Great American. Other officers are D. W. Valentine of Travelers, first mate; Roy Urbauer, Home of New York, purser, and Harold Bredberg, National Appraisal Co., re-elected yeoman.

There was considerable discussion of

the rapid increase in hijacking of truck cargoes, particularly whisky and liquors. Some of the companies no longer will write trip transit coverage on whisky cargoes.

The new burglary and outside theft coverage of the casualty companies and the personal property and personal effects floaters as recently changed were compared and discussed. Mr. Bredberg presided in the absence of the other officers.

### Recovers for Sprinkler Loss Suffered on Day of New England Hurricane

Continental was held liable by the Massachusetts supreme judicial court for sprinkler leakage damage suffered by an assured in Canton, Mass., on the day of the great New England hurricane, Sept. 21, 1938. The assured, Murray, was a dealer in wool remnants. There was evidence that part of the roof of his warehouse was blown off by the hurricane and that as a result the automatic sprinkler system was broken and the stock was damaged by the escaping water. On the other hand there was testimony that the break in the sprinkler system had occurred an hour before the roof was damaged and that, whatever caused the leak, it was not due to a hurricane or windstorm.

The main contention of Continental was that there was error in denying its request that the burden of proof was on Murray to show that the break in the system was not caused by the windstorm, and in instructing the jury that the burden of proof on that issue was on the insurer.

Continental contends that the judge should have taken judicial notice that Canton was in the path of the hurricane and that he should have instructed the jury that the force that damaged the roof of the warehouse was a windstorm as that term was used in the policy, and not leave it to the jury to decide whether the violence that caused the damage to the roof was a windstorm.

The judge stated to the jury: "Well, all of us know what occurred on the afternoon of that day, I guess. We had our individual experiences if we were outdoors. Most of us were on that afternoon."

The judge then cautioned the jury that conditions in one community might be different from those in another and left to the jury to decide whether the sprinkler break was caused by a windstorm. He instructed the jury that Murray could not recover if Continental had sustained the burden of proving that the break was caused by windstorm. The higher court expressed the belief that the judge was not called upon to do more or that any of the rights of Continental were prejudiced by the charge.

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